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Near East/South Asia Report

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NEAR EAST/SOUTH ASIA REPORT

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EGYPT

DEVELOPMENTS IN CORRUPTION CASES

Cairo THE EGYPTIAN GAZETTE in English 14 Feb 86 p 3

[Text] The General Prosecutor, Mr Mohammed Abdul Aziz El-Gendi, yesterday issued a decree impounding the property of the former Minister of Economy, Dr Mustafa El-Said; the former Under-Secretary of the Ministry of Economy, Mr Refaat El-Beshir; the former expert at the Ministry, Mr Abdul Khalek El-Mahgoubk their wives and their under-age children.

Mr El-Gendi also issued another decree banning Dr El-Said from traveling till the end of the investigations being carried out by the general prosecution concerning return of the money confiscated from foreign currency dealers.

Meanwhile, Mr El-Gendi issued a decree to hold in detention on 12 counts, and on arresting 10 other senior officials in the Ministry of Industry. The Public Funds Prosecution is currently investigating the verdicts on charges of bribery and deliberate misuse of public funds, during the implementation of the establishment of the paper plant in Koss, Qena governorate.

At a press conference held yesterday, Mr El-Gendi said that the Public Funds Prosecution discovered fraudulent action in the assignment of constructing the factory.

The General Prosecutor added that four German, Japanese, Canadian, and French companies submitted offers to establishing this project. The Committee assigned to study the offers rejected the Canadian and French tenders.

He also said that the German company offered, through its German and Egyptian agents in Egypt, the equivalent of LE 5.5 million in German Marks as a bribe, to the committee members responsible for the implementation of the project.

He further said that the agent of the German company was seized in one of Cairo's hotels while he was discussing with the committee members how to divide the bribe among them.

/12851
CSO: 4500/93

NATIONAL IDENTITY CARD SYSTEM

Cairo THE EGYPTIAN GAZETTE in English 25 Feb 86 p 2

[Text] The implementation of the national code number system will be launched, starting March 15, according to the Director of the Civil Status Administration Mr Michael Selim Saad. He pointed out that specialised technical committees have been formed to evaluate international offers submitted in this respect. Moreover, committees comprising of economists and university professors were also assigned to evaluate the offers from the financial point of view.

In a statement to the Middle East News Agency, Mr Saad said it is expected that the committees will announce the chosen offer early in March after which a new law will be drafted to complement the implementation of the suggested code number system.

He explained that the Cabinet, the Higher Council for Policies, and Mr Ahmed Rushdi, the Minister of the Interior have approved the project. According to this project, he said, each citizen will be allotted a national number which will be included in new identity cards which are difficult to forge.

The number given to each citizens, will therefore serve as a clue to the information of its holder.

Mr Saad pointed out that close cooperation on the scheme will obtain between the Ministry of the Interior, the Civil Status Administration and the Central Agency for Mobilisation and Statistics in this respect.

The new identify card will be issued by means of a computer in order to avert attempts at forgery.

The code number project, said Mr Saad has several advantages, since the citizens will include his number in all official dealings and his information will be registered under the same number, which will be of considerable help to such bodies as the Recruitment Administration, taxes and social insurance administrations. Such a system will enable government bodies to undertake their jobs with more efficiency and accuracy.

Mr Saad, further stated that a committee of experts conducted studies on a large scale within and outside Egypt to make use of the expertise of foreign countries which preceded us in adopting this system such as Sweden, deemed to be a pioneer country in this respect. For this reason the assistance of Swedish experts has been sought, explained the senior official.

/12851
CSO: 4500/93

LEGAL SCHOLAR DISCUSSES TABA ARBITRATION

Cairo AL-AHRAM in Arabic 6 Feb 86 p 6

[Article by Dr Mufid Shihab: "Taba: Arbitration and Bilateral Relations; Israel Did Not Offer Concessions by Accepting Arbitration; It Agreed To Abide by 1979 Treaty"]

Upon completing its withdrawal from Egyptian territory, Israel disputed the claim that Taba is a part of Egypt, considering it a "contested area." It also stirred up disputes over 15 other border points of lesser importance than Taba, thus extracting from Egypt the 25 April 1982 agreement concerning temporary measures for settling border issues. This agreement stipulated that final decisions related to the demarcation of contested borders must be made in accordance with the provisions of Article VII of the peace treaty concluded between the two countries on 26 March 1979, which states that disputes over the implementation or interpretation of this treaty must be settled through negotiations and, "failing that, such disputes shall be settled by conciliation or arbitration."

Realizing the kind of obstacle a persistent border problem can place in the way of the peace process between Egypt and Israel and its realization, the Israeli government recently announced its decision to accept arbitration as a means of settling the dispute over who has the right to Taba, following more than 3 years of arguments and procrastination that aroused the indignation of the Egyptian people and indeed raised many questions about Israel's seriousness in abiding by the commitments it made in the 1979 treaty and the 1982 accord.

We would like to point out at the outset that the Israeli government did not offer any concessions when it announced its acceptance of arbitration on the Taba question. It only agreed to honor a commitment it made in the heart of the 1979 treaty. Hence, it did not offer anything new in this regard.

Moreover, when Egypt offered in return to turn to arbitration and insisted on employing it in seeking a court ruling that would once again prove to the world and Israel its legal claim to Taba, it did not offer anything new but was merely implementing the terms of the treaty.

The established fact on which all Egyptians of various political orientations or party status can agree is that Taba is Egyptian by historical and legal right, as established by various documents, agreements, and maps showing Egypt's international borders. Indeed, Israel's position in the 1949 truce agreement and its conduct in 1957, when it withdrew from Sinai, including the Taba area, offers conclusive proof of Israel's conviction that Taba is Egyptian!

Taba's Egyptian character prompts all Egyptians to rally around the need to regain it by all possible means, depending on the circumstances. This means put forth at this time is arbitration, which is expected to get underway soon.

Although this means has won the approval of both parties to the conflict in observation of the terms and provisions of the 1979 peace treaty, some people have expressed their apprehension about using this means and their belief that arbitration must not deal with matters related to sovereignty over the land, such as border issues.

On the other hand, linking Israel's announcement of its acceptance of arbitration to specific conditions dealing with bilateral relations between it and Egypt raised several questions about the legality of such a link and whether the 14 articles announced by Israel are part of an overall deal linking acceptance of arbitration issues related to relations between the two countries.

Arbitration in Border Issues

It is an undisputed fact in modern international law that the criterion by which the "arbitrability" of any dispute is measured is the "legality" of the dispute in the sense that it must be soluable in accordance with the rules of positive international law: "international agreements-customary law-general principles of law." Such disputes naturally include international border disputes and, therefore, the only ones that can be excluded from the group of arbitrable disputes are those differences that cannot be settled under the rules of international law, better known in jurisprudence as "political differences."

An opinion had emerged in the past citing the impermissability of arbitration in matters related to the country's basic rights dealing with its existence, independence, and borders, as prescribed by internal law that forbids individuals from concluding agreements among themselves in violation of the provisions of the law, in particular those that touch their lives and personal status. However, this opinion was flawed and the object of criticism because it was based on a confusion between the nature of the role laws play in internal communities and the role of international law in the international community. Individual relations are governed by contracts concluded by individuals of their own violation, in addition to prescribed laws, and contracts must not be in violation of the law, while countries only honor--as a general principle--agreements they accept of their own volition, for there is no international legislative authority higher than the countries themselves to impose its laws on them.

A review of international practice reveals scores of cases of border disputes between countries that have been settled through arbitration. We mention, as an example, the disputes between Honduras and Nicaragua (1984), Great Britain and the United States (1903), Mexico and the United States (1911), Great Britain and Saudi Arabia (1954), India and Pakistan (1965), and Argentina and Chile (1971).

Accordingly, referring the Taba question to arbitration to be decided in accordance with international law provisions does not detract from Egyptian sovereignty and is in keeping with international practice.

Linking Acceptance of Arbitration to Bilateral Issues

Israel's action of linking its acceptance of arbitration to other conditions related to bilateral relations between it and Egypt is impermissible. Without a discussion of the 14 articles announced by Israel, the process of linkage in itself represents in reality a breach of the obligation to honor the commitment in good faith, an obligation which means in practice that Israel must immediately engage in negotiations limited to the discussion of executive steps for arbitration with a view to reaching an agreement in this regard. As for bilateral relations from the standpoint of their nature, level, and scope, they are separate matters subject to personal, economic, political, and cultural considerations of each party and controlled by each party's circumstances and assessments. It is an accepted fact in international law, for example, that diplomatic relations and the exchange of ambassadors or lower-level representatives are a matter of mutual consent and countries have an obligation to set up diplomatic relations at any level (Article II of the 1961 Vienna agreement concerning diplomatic relations). Furthermore, controversial issues concerning the normalization of economic, trade, and cultural relations are settled through special negotiations governed by circumstances and considerations other than those that are at work in the Taba arbitration issue.

Accordingly, we believe that talk about an overall deal combining arbitration and bilateral relations is unacceptable from a legal point of view.

Moreover, bilateral issues being raised by Israel nowadays may be blamed on Israel's conduct and practices, toward the Lebanese and Palestinian peoples in particular, on its attitude toward the Palestinian cause and the Palestinian people's right to self-determination, and on its repeated aggression against Lebanon and citizens of the occupied territory, thus promoting Egypt to withdraw its ambassador from Israel and take a stand on normalization issues.

Israel has not done anything so far to remove or even mitigate these causes. Rather, it has persisted in its practices of coercion, usurpation, sacrilege against holy places, and violation of international resolutions. If Israel is serious about its call for peace, it must demonstrate by practical conduct how serious this call is.

Arbitration and Conciliation

Arbitration is a means of settling disputes in an effort to establish the authority of the law instead of the sovereignty of force. It is not a newfangled means for settling conflicts, for interest in this kind of method goes back a long way to the days of the Greek and Roman empires and the Middle Ages. Moreover, it has been turned in our days into a common and widely used tool in a large number of international agreements concluded after the establishment of the United Nations. And whereas arbitration is usually preceded by other means for ending disputes such as negotiations, it is considered the last means for settling textual differences which diplomatic means often fail to settle.

Arbitration, as outlined in Article 37 of the 1907 Hague Agreement concerning the peaceful settlement of international disputes, is tantamount to settling disputes between nations through judges of their own choosing in accordance with the law. The judgment of a court of arbitration is final and binding on the parties to the dispute just like any other judgment handed down by any permanent judicial body (the International Court of Justice).

Therefore, arbitration between nations is not a diplomatic means similar to good offices, mediation, or conciliation but rather is a kind of legal settlement.

However, arbitration is very different from conciliation, in that conciliation is an agreement between conflicting parties to turn to a special select committee whose task is to bring viewpoints closer together and propose compromises based on political, economic, legal, and other considerations. Conciliation committee proposals are nothing but recommendations or views about what constitutes an appropriate settlement.

Hence the difference between conciliation and arbitration is that arbitration is based on the law alone, while conciliation takes into account a number of considerations, of which the law is one. Moreover, arbitration decisions are final and binding while those issued by a conciliation committee are mere recommendations that may or may not be accepted by the parties concerned.

Perhaps this intrinsic difference between conciliation and arbitration is what prompted Egypt to demand arbitration in the Taba question, in the wake of the failure of negotiations that lasted over 3 years, and refused conciliation because the conflict, by its very nature, is not receptive to compromises inherent in conciliation. It is a dispute governed only by law (international treaties, historical documents, geographic maps, etc.) and any attempt to reach a settlement through conciliation is actually a waste of time because it is difficult for such a method to reach a solution acceptable to both parties.

Arbitration and the International Court of Justice

Arbitration is a legal settlement of a disputed issue, similar to the function of the International Court of Justice. Decisions handed down by the court of arbitration, just like those issued by the court of justice, are final, are binding, and must be enforced.

The only difference between arbitration and the International Court of Justice is that arbitration is ad hoc and handled by a court that specializes in settling specific disputes, while the International Court of Justice is a permanent judiciary body not tied to specific disputes.

Some people may wonder why the Taba question has not been referred to the International Court of Justice.

Our answer is that this court's mandate is voluntary and based on the consent of the conflicting countries to turn to it. This is a feature that marks international justice in general, setting it apart from the domestic system of justice, whose rulings are mandatory. The nations' agreement to resort to the court is made before or after the conflict occurs in accordance with terms specified in Article 36/2 of the court's constitution.

In applying this rule to the Taba case, we find that the 1979 peace treaty prescribed, exhaustively, three means that can be employed to settle differences that may arise concerning the application and interpretation of the agreement. Whereas both Egypt and Israel have expressed their acceptance of the International Court of Justice's jurisdiction, Egypt has confined its acceptance--according to the 18 July 1957 declaration--to legal disputes that may arise concerning the application of the 1888 Constantinople Agreement regarding navigation in the Suez Canal. Moreover, Israel, in acceptance, excluded--in accordance with the 17 October 1956 declaration--any dispute in which the concerned parties have agreed on or will agree on other means of peaceful settlement.

It is evident that, in such circumstances, neither of the two parties to the conflict can bring legal action against the other in the International Court of Justice in connection with a dispute over the implementation or interpretation of the 1979 peace treaty.

It is proper to point out here that, whereas the jurisdiction of the International Court of Justice and the litigative proceedings before it are mentioned in its constitution and bylaws, the jurisdiction and procedures of the court of arbitration are specified in an agreement prepared by the parties to the conflict known as "stipulation of arbitration," which comprises the following: definition of the subject of litigation, composition of the court, selection process and number of arbitrators, the court's powers, procedures to be followed by the court in hearing the case--language to be used, briefs, arguments, use of technical experts, etc.--and rules to be observed in pronouncing judgment--required majority, length of arbitration, period within which judgment must be enforced, apportionment of costs and expenditures, etc.

One last thing: The preparation of a clear and precise "stipulation of arbitration" that satisfies all rules and procedures in a decisive and objective manner is a basic guarantee for the arbitration's success in settling the dispute.

EGYPT

KAOLIN DEPOSITS DISCOVERED ON EL-TEH PLATEAU

Cairo THE EGYPTIAN GAZETTE in English 16 Feb 86 p 2

[Text] Egyptian geologists have succeeded in discovering an area rich with Kaolin in El-Teh plateau, in Sinai, after 3 years of searching. The strategic reserve of Kaolin in the area is estimated at 100 million tons that may increase when the currently-conducted research works are completed by Sinai Company for Manganese, and the Geological Survey Authority.

The Chairman of Sinai Company for Manganese Mr Bahieddin Ahmed said that studies covered an area of 45 square kilometres where 4 layers of kaolin with a thickness ranging between 3 to 8 metres, were discovered.

Mr Ahmed also said that the recently discovered kaolin is pure and contains 32 to 36 percent ammonia, which can be utilised in the aluminium industry as well as in the production of alum. He pointed out that Egypt imports large quantities of alum every year for use in water purification.

The Chairman of the Company also said that kaolin is used in the industries of porcelain, refractories, ceremics, paper, electric insulators, rubber, and in the production of certain medicines. He added that the Kaolin can be exported to international markets via Abu Zenema Port, on the Gulf of Suez.

"The purity of the discovered kaolin will help it to sell in large quantities in international markets, at high prices," said Mr Ahmed who added that a plan to market this material is currently being worked out.

Meanwhile, Mr Farid Kamel, Head of the Research Sector of the Company, said that kaolin is extracted from 4 mines in Sinai but the percentage of the effective ingredients in the raw material is lower than in the recently discovered kaolin.

/12851
CSO: 4500/93

EGYPT

BRIEFS

MINIA-ASSUIT ROAD PLANNED--A new road linking Minia and Assiut is projected to serve citizens of north and central Upper Egypt, in order to alleviate pressure on the current road which is used by 18,000 cars daily, a number which increases to 22,000 vehicles in high seasons and on national occasions.

The Governor of Minia, Mr Salah Ibrahim said that an attempt was made to widen the existing road but it proved difficult in its implementation. The road will be built in coordination with the Minister of Transport Mr Soliman Metwalli. The first stage which is to be completed in 1990 will cost LE 15 million financed through a US grant. The second stage of the road, Mr Ibrahim, will extend to Aswan.

The road will make it possible for citizens of north and central upper Egypt to travel directly from Alexandria to Assiut without having to penetrate urban residential agglomerations. [Cairo THE EGYPTIAN GAZETTE in English 14 Feb 86 p 3]

PACT WITH YUGOSLAVIA--The executive programme of educational and cultural cooperation between Egypt and Yugoslavia was signed yesterday by the Ambassador, Mohamed Ezeddin Sharaf, the Director of Cultural Relations and Technical Cooperation at the Ministry of Foreign Affairs, and by the Yugoslavian Assistant Director of Federal Administration for Cultural Cooperation, who is currently visiting Cairo. The programme which aims to boost the already existing cooperation between the 2 countries in the fields of higher education and culture through the exchange of scholarships, university professors and holding exhibitions and festivals in both countries, will cover the period from 1986 to 1988. [Text] [Cairo THE EGYPTIAN GAZETTE in English 20 Feb 86 p 2] /12851

CSO: 4500/93

MOROCCO

PUBLIC TRANSPORTATION PRICE INCREASE

Rabat L'OPINION in French 4 Jan 86 p 5

[Text] All of a sudden here it is that the Rabatian population starts 1986 in style, with a "friendly" increase in bus ticket prices. What a lovely gift from the Rabat Regional Transportation Authority [RATR] who had nothing better to do, the first of January, than to stun the passengers of these rumbling monsters--which unfortunately are indispensable to a good part of the population--with a gesture of wishes for a happy New Year.

Some 20 centimes more per ticket, they told us. You must certainly had to have noticed it yourselves when you bought your first ticket of the year. What then, was your surprise when the ticket collector asked you to add a little more; 1 dirham was no longer enough. He responded to your classic and routine question of "Oh, has this increased?" with his habitual coldness without deigning to look at you. Your reaction? Exactly the same one that you have every time you find yourself facing a price increase in some product or service. You have simply shaken your head in distress, accepting the fait accompli. This head-shaking almost never leaves you, since increases have become common practice and henceforth, a part of your daily life.

If the buses have raised their ticket prices, they're not the only ones.

The affliction has become more widespread and is evident throughout the entire public transportation system serving the province of Rabat. In the beginning, even the large taxis shuttling between the two rivers were getting into the swing of things with the price increase: 50 centimes more during the day and 1 dirham during the evening. Luckily they seem to have stopped, having been brought to their senses by the authorities. In any case, as far as the taxis go, the matter will continue.

Thus, for the population of Rabat-Sale, 1986 begins with that which one has come to expect: unexpected and additional expenses. Hopefully the affliction will not go any further and will not spread to other areas of life.

However, 1986 must begin and the unpleasant surprises will certainly not cease to "add spice to it" from time to time.

Of course, we were officially, and on more than one occasion, promised that this year would not experience any price increases in basic goods. But has one thought of all the small things in life where the repercussions might weigh heavily on citizens' everyday life, and particularly on those who don't have much money? It cannot be said too often: Man does not live by bread alone.

The case of the buses and taxis are only a small example which by itself, might well create enormous gaps in the budgets of the have-nots, who are already having trouble making ends meet.

God only knows what may already be ahead because there are other surprises which are about to appear starting 1 April, the date VAT is implemented.

/6091
CSO: 4519/80

TUNISIA

POSSIBLE BUDGET REVISION SEEN AS OIL PRICE FALLS

London MIDDLE EAST ECONOMIC DIGEST in English 22 Feb 86 p 28

[Text]

The recent fall in oil prices may force changes to the 1986 budget, National Economy Minister Rachid Sfar has told parliament. Each dollar fall in the crude price will cut about TD 10 million ($ 14 million) from this year's export earnings.

Oil exports are still the single largest source of export revenues, worth a total TD 620 million ($ 856 million) in 1984, or 44 per cent of total sales. In his 11 February address, Sfar told parliament that investment projects with a high import content will have to be cut back if the oil price remains depressed.

The 1986 budget was based on an average price for Tunisian crude of $ 26 a barrel. Investment spending has already been trimmed in an effort to service the country's external debt (MEED 14:12:85).

The National Economy Ministry has produced figures to show the economic effects of average oil prices of $ 20 a barrel, $ 15 a barrel and $ 10 a barrel. At $ 20 a barrel, export revenues would fall by $ 67 million from the budgeted level, and government revenues by TD 26 million ($ 36 million). Comparable figures for prices of $ 15 and $ 10 a barrel are $ 110 million and TD 53 million ($ 71 million), and $ 152 million and TD 78 million ($ 108 million).

The average cost of producing oil from the offshore Tazarka field is $ 15 a barrel, Sfar says, making extraction unprofitable if the crude price falls below that level. Comparable figures for Ashtart and El-Borma are $ 5 and $ 3 a barrel, he added.

Oil production in 1985 fell by 8 per cent, to just above 5 million tonnes, of which 3.5 million tonnes came from El-Borma, 1.2 million tonnes from Ashtart and 700,000 tonnes from other fields. Sfar confirmed earlier predictions that Tunisia will become a net energy importer in the early 1990s. The El-Borma field has reserves of 30 million tonnes; reserves at Ashtart total 10 million tonnes and at other fields 5 million tonnes.

/12828
CSO: 4500/99

BRIEFS

TRADE TALKS WITH POLAND--[Unattributed report: "Toward the Strengthening of Bilateral Cooperation on the Basis of Respect and Common Interest"]--National Economy Minister Rachid Sfar had talks at his department yesterday morning [26 February] with Adam Kuszarski, director general of the Polish Foreign Trade Ministry, who is heading his country's delegation to the meeting of the Tunisian-Polish joint grand commission which is being held in Tunis. During these talks, which were attended by Polish Ambassador in Tunis Mieczyslaw Majewski, Rachid Sfar stressed the need to promote bilateral cooperation to raise it to the level of the excellent political relations between the two countries which were clearly demonstrated during President Jaruzelski's recent visit to Tunisia. The national economy minister added that Tunisia is trying to counter the effects of the world economic crisis by strengthening its cooperation with fraternal and friendly countries on the basis of mutual respect and common interest, in accordance with the policy laid down by President Bourguiba since independence and which Prime Minister and Interior Minister Mohamed Mzali is trying to implement with determination and responsibility. [Text] [Tunis L'ACTION in French 27 Feb 86 p 5 PM] /6662

CSO: 4500/98

RESULTS OF TALKS WITH EGYPT SUMMARIZED

Tel Aviv YEDI'OT AHARONOT in Hebrew 14 Feb 86 pp 1, 6

[Text] Dr Nabil al-'Arabi, chairman of the Egyptian director generals delegation, who is in Israel for consultations, was to visit the defense minister's office in Tel Aviv on 14 February. The visit was to follow an invitation by Minister Yitzhaq Rabin.

In the round of discussions between the Egyptian and Israeli general managers, being held in Hotel Akadya in Hertzliya, several issues have already been agreend on. It does seem, though, that no agreement has been reached on arbitration regarding Taba.

The chairman of the Egyptian delegation said on 13 February, when he was asked about the matter: "The atmosphere at the talks is serious and to the point. Work continues and we intend to finish soon."

The chairman of the Israeli delegation, general manager of the prime minister's office, Avraham Tamir, said: "It is only natural that there are differences of opinion. It is possible that we may have to pass some issues on to the political level."

The subjects on which agreement has been reached in the Akadya talks:

Monuments. Egypt will erect two monuments for its dead in Israeli territory, one near Pelugot, in the Negev, the other south of Ashdod. Israel has already erected two monuments for IDF soldiers on Egyptian territory.

Tourism. The Israeli ambassador to Cairo will coordinate a visit by the Israeli tourism minister in the near future.

The murder at Ra's-Burqah. The Egyptians promise that Israel is "soon" to receive the minutes of the murderer's trial.

Coomunications. The possibility of direct dial between the two countries is to be considered.

Commerce. A date is to be set for a meeting of experts of the Commerce and Industry Ministries of both countries.

Both delegations were to hold another meeting on 15 February. On Sunday the Egyptian delegation was to return to Cairo, and one week later the Israeli delegation was to arrive in Cairo.

Qamar Shah Zulfiqar, correspondent of the Egyptian weekly AKHIR SA'AH, interviewed Prime Minister Shimon Peres on 13 February, in his office in Jerusalem. This is the first time in 4 years that an Israeli prime minister has granted an interview to an Egyptian correspondent. It was reported that she asked the prime minister several confrontational questions such as, "How can you talk about peace and at the same time employ your planes in Tunisia? What did you accomplish by intercepting the Libyan plane? Is it true that Israel's intelligence service is responsible for the murder of PLO moderate Sartawi?"

Zulfiqar also interviewed Foreign Minister Yitzhaq Shamir, and then said: "There is no difference between Peres and Shamir. They talk the same political language and think in identical political terms."

8646
CSO: 4423/90

ANNOUNCEMENT OF FORMATION OF NEW CENTER PARTY EXPECTED

Tel Aviv HA'ARETZ in Hebrew 12 Jan 86 p 2

[Article by Ilan Shehori, HA'ARETZ correspondent for party affairs: "Announcement of the Establishment of the New Center Party on Wednesday"]

[Text] The official announcement of the establishment of the new Center Party by dissenters from the Liberal Party will be made this Wednesday at a news conference, which will be held by heads of the new political body, including Arye Dulchin, chairman of the [Jewish] Agency, Yitzhaq Berman, and Shlomo Lahat.

Figures from the Liberal Party, who oppose the unification with the Herut Party and the establishment of the Likud Party, will form the basis for the Center Party and the initial financing for the movement will be from the money of contributors from the United States, who have been mobilized by Dulcin and Lahat in recent months.

The HA'ARETZ correspondent notes that it is not yet clear who will head the new party and lead it during the next elections to the Knesset. In the last few weeks it has been mentioned that Tel Aviv mayor Shlomo Lahat will head the list for the Knesset and Arye Dulchin will be the chairman of the movement. However, many members of the new movement oppose Lahat's candidacy, mainly in view of his political announcements, including support for the idea of the establishment of a Palestinian state. The claim against Lahat is that his views and announcements are liable to hurt the support for the new party and to identify it with the leftist camp. In the last few days some members of the movement, which has not yet been established, have demanded that Rehovot mayor Yehezqe'el Har-Melekh, who is popular among all the members of the movement, head the list for the Knesset.

Exploratory Contacts With LA'AM, Shinuy, and Ometz

At the end of last week Lahat appeared before the leadership of LA'AM and presented the platform of the new Center Party. Knesset member Yitzhaq Artzi, representative of LA'AM in the Knesset, said that his movement was making exploratory contacts in connection with the possibility of joining the Center Party in the future and of jointly appearing in the Knesset. The HA'ARETZ correspondent notes that for a long time Yitzhaq Berman has maintained contacts with the Shinuy movement in connection with it joining the Center Party. Discussions are also being held with the Ometz movement headed by Minister Yig'al Hurvitz.

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ISRAEL

SHARON GAINING STRENGTH WITHIN HERUT PARTY

Tel Aviv YEDI'OT AHARONOT (Weekend Supplement) in Hebrew 14 Feb 86 pp 6-7

[Interview with Ari'el Sharon by Orly Azulay-Katz]

[Text] The public slap in the face which Sharon received from Begin's son left him unaffected only outwardly. Sharon and his followers decided to keep quiet. They lowered their profile, as if to discount the matter, or even ignore it altogether. Perhaps they hoped that with time the party would find something more interesting to deal with.

There are whisperings in Herut that what Begin, Jr did to Sharon is what many other good veterans have been wishing to do for a long time, only they did not dare. In view of Beni Begin's words, and inspired by them, people are now saying to Sharon that he is actually an alien in the party. He is accused of joining it after the victory, following a term with the Liberals, in Shlom-Tziyon and that he even veered, peculiarly enough, toward Yosi Sarid. The old Herut, veteran of the underground, is impressed with Arens because of his refined manners. They are willing to compromise on Sharon because of his loyalty and because of his past. Those who only whispered about it are willing to admit now, openly, that it was Arik who sent Begin to Tzemah St. On this point even his military past or his accomplishment as a soldier cannot help him, the reason being that Menahem Begin, for Herut, is still the heart and the oracle. And Sharon broke their heart.

These days, what serves Sharon best are his fabulous adaptability and his well known skill to read the political map correctly. Several weeks ago he supported Yitzhaq Shamir. Just before the vote in the central committee he suddenly switched to David Levy. "I did not switch allies," he explains, "I only stuck to my principles."

True, for now he is relatively safe. Not only that. Local elections, held this past week, clearly indicate that he has gained support within the party. His goal, to become prime minister, is marked with a red pin, and now he is considering the way to attain it. The interview with him was not a matter of thunder and lightening, not even fireworks. He weighed every word he uttered into the microphone, and throughout the interview repeated that he was neither attacking nor shooting arrows at anyone. It could be that even this pose is part of the means to the end.

As to his political past, he is not willing to give up the right to respond. In his office in Tel Aviv, surrounded by advisers--he jokingly calls them his bodyguard--Sharon sits and talks in a rather unfamiliar moderate tone. Over his head is a photograph of Shimon Peres, and next to it one of President Hertzog. On the wall on the right there is a photograph of Menahem Begin and some scenes from throughout the country.

"I did not start my life as a party functionary, I admit; I came in via another route. I served in the military for 28 years," he says. "I did not join Herut after the victory. I was forced to resign from the IDF in June 1973. I did not leave because, as some say, I was not appointed chief of staff. I wanted to serve for another year, but the then chief of staff, David El'azar, objected. Dayan and Golda did not support me and so I was forced to resign. When I did, I was among those who initiated the establishment of Likud. Over time many joined, but actually the idea was mine. At first everyone opposed it. But after 6 weeks of a political struggle I managed to bring about the establishment of Likud. Its establishment in 1973 was the main factor which enabled it to win the elections in 1977. I then rejoined the IDF for the Yom Kipur War. When I came back from the war I was not allowed to carry out the unification of Likud and therefore I decided to run as an independent, in the Shlom-Tziyon movement."

In the matter of Shlom-Tziyon Sharon tells a story which has not been known up to now. Several weeks before the elections, he went to visit Begin, who was then recovering from a heart attack at the Sharon Hotel. Arik offered to give up his independent ticket and run with Likud. Begin agreed, and appointed Yitzhaq Shamir, then in charge of the organization of Likud, to take care of the matter. Sharon met Shamir at the Harli restaurant. Shamir listened to Sharon and at the end of the conversation announced that he wanted to hold a conference. At that point, maintains Sharon, Shamir disappeared. "He said he was going to get in touch with me, but after that day we never again talked about the subject," says Sharon cynically. "I looked for him, because it was late and the lists had to be submitted. But he was nowhere to be found. I called Begin, who was very angry over the matter. The day after the elections I met Begin and Shlom-Tziyon joined Likud. Thus the argument that I joined after the victory is sheer nonsense. I made the biggest contribution for the victory. I would define any other claim as heresy."

Herut is trying to fill the gap caused by Begin's retirement, but for the past 2 years has not been able to find a leader. Sharon and Levy both claim the title. Arens has yet to voice his opinion. Shamir's supporters say gleefully that Sharon and Levy are fighting on the same court: development towns and ethnic groups, where power and charisma count. In Levy's camp there are those who are willing to swear to it that they heard Sharon say, "I will hit Levy in his own court." A senior Levy adviser, Itziq Regev, is willing to say, "Sharon's camp is smaller than 100. Reality has shown that Sharon depends on Levy. He may be able to face Shamir with Levy's support. But if he wants to confront Levy, he is lost." Sharon's supporters voice the same opinion, only they reverse the main characters.

At this point Sharon is not concerned over recent votes within Herut. "There were votes, and there will be more votes," he says, rather nonchalantly. "I have time." He is not in a rush, but he is careful not to lose any time. He canvasses all of Herut's offices, throughout the country. He knows what people want to hear. He gives his supporters, who receive him like a king, many extreme statements regarding the indivisibility of the country and the unrelenting war against terrorism. He is also very careful to pay his respects to those party members who actually cast the votes. Along with his wife Lily he is present at their parties and when there is a death in their families. If he cannot attend personally he makes sure to send flowers or express his condolences by phone. This is how he works.

The author asked him if there is such a thing as the "Sharon Camp."

[Answer] "As a matter of principle, I am against such associations. But circumstances were such that there was no choice. We are not about to select a prime minister. Shamir is our candidate for prime minister. This is true whether the rotation becomes a reality or whether we have early elections..."

Arik Sharon does not see any reason why Likud with Shamir should lose the elections. In his opinion there has been no shift in power amongst the various blocks and he hopes that Herut, with clear and unequivocal positions, will succeed in attracting those votes which went to Tehiya and Kahane.

[Question] Alignment people note jokingly that, from their point of view, you are the best partner for breaking up the coalition. Is there anything behind it?

[Answer] No, emphatically, no. This is all intended to throw Likud into discord and confusion. Why should I have any interest in thwarting the rotation?

At this point Sharon volunteers to reveal a story which has been kept secret up to now. According to him, the whole idea of a national unity government started in a secret meeting between him and Shimon Peres several days after the elections. The meeting was held at night, in a house in the Tel Aviv area. This is how Sharon tells it: "All told the situation was very difficult. Not one of the blocks could put together a coalition. No side wanted to appear a failure. Shamir was aware of the fact that I went to meet Peres. Peres and I were political adversaries. This was after both of us had made harsh statements during the elections."

[Question] Did you cut your vacation short for the meeting?

[Answer] No. I did not come incognito. I do remember that Peres' guard approached me outside and said: 'Do you have any idea who is inside? I think you are mistaken.' I told him I was not. He was rather baffled. He thought the whole thing might be quite embarrassing. I asked to enter. The meeting turned out to be rather pleasant, following several years when we had had no personal contact. It was at that meeting that I suggested to Peres that a national unity government be established, that I proposed the idea of rotation, and the whole idea of forming a coalition.

[Question] And what did Peres have to say?

[Answer] I wouldn't want to go into that. This was a very unique meeting. It seems to me that I have already said too much as is.

Sharon's game now is to wait quietly. It is possible that in the back of his mind he has the "yellow ticket" which Peres waved in front of him a few months ago, when Sharon gave vent to his tongue. He is playing his next move differently. Sharon experts say that he actually enjoys the constant rumors about himself. He is extremely critical about what is going on in the government now. But what he says is rather cautious.

[Question] Let us say that the decision to intercept the Libyan plane was in your hands. What would you have done?

[Answer] I am of the opinion that terrorism should be fought on all fronts. I don't want to say what I would have done, because to date I don't have all the facts. The serious thing that took place in this instance is the way in which the decision was arrived at. The government should hold an investigation in order to determine how such decisions should be made, intelligence sources, etc. In my opinion the issue should be investigated not from within the government, not from within the IDF--just so similar mistakes don't recur in the future. After all, the cabinet is full of people with a lot of experience on the subject and had it been brought up for a full cabinet discussion, it is possible that results would have been different. It is not at all clear to me why the subject was not raised at a full cabinet meeting. In any event, I do know that it was not for lack of time.

[Question] Do you share optimists' views regarding improvement of relations with Egypt and a possible beginning of negotiations with Jordan?

[Answer] It is a mistake to present the matter in short terms, as if peace is just around the corner. It is also a mistake to threaten that if Israel does not attain peace, war is inevitable. One cannot arrive at peace with a stop watch going. Too many of us are doing just that and are asking when the meeting is to be held, when is the conference to be held, when are treaties to be signed, when can we expect peace. Egypt and Jordan need peace no less than we do and it is inconceivable that we should be the only ones to make concessions. It is a mistake, in my opinion, to say that this is the last opportunity for peace. There are those who are naive enough to believe that peace with the Arab nations is possible overnight. All rumors regarding imminent peace, followed by the inevitable disappointments, only serve to weaken our position.

[Question] Do you think that Ezer Weizmann's trip to Cairo was superfluous?

[Answer] I am all for keeping in touch. It is necessary to keep talking in order to reduce tensions. At the same time it is a mistake to let Egypt determine whom to talk to. As to the trip, I did not appreciate all the commentary surrounding it. Some commentators said that Shamir approved the

trip knowing that it would fail. I would like to believe that this is not true. Because the failure was not Weizmann's, it was Israel's.

Sharon is not waiting for his moment. He is waiting to see what his next move may be, so that at the right time he can throw his hat in. He does not control events. He stresses over and over again that his goal is to reach the top, but if he does not make it, he will not feel disappointed even for one day. "If I don't make it, even if I am not in the government, I will return to the farm and enjoy life there. Personally, it is wrong to say that I will not be at peace with myself. I have never had enough time to do what I really want to do, to be a farmer, for example. There are many places in the world where I have not been, and where I would like to visit. There are people I would have liked to meet, that I have not had the opportunity to meet. There are books I would like to read, there are things I would like to write...

[Question] Do you have plans to write a book?

[Answer] Everyone writes a book sometime.

When it happens, it will undoubtedly be interesting to read Arik's story, as he sees it, and the bookkeeping, which is sure to be part of it.

[Box on p 7]

[Question] Arik Sharon, why do so many people love to hate you?

[Answer] The phenomenon of hate is prevalent in Israel, it is very serious. There is a need to focus hatred on various targets. We saw it following Arlozorov's murder, we saw it in the Labor Party following all the splits, when sons raised their arms against fathers, and we saw what happened to Ben Gurion, who is undoubtedly the greatest thing that happened to the Jewish people in this century.

[Question] When hatred is directed against you, what does it do to you?

[Answer] It certainly does not shake my sense of justice, nor does it weaken me. Have you forgotten the hatred of Menahem Begin or of Ben Gurion, who was lonely toward the end of his life? I am not putting myself on the same level with these two, but hatred has been directed at the most central and the best. We ought to fight it.

[Question] What about the name calling and when you are referred to as a murderer?

[Answer] Usually I am received warmly. But when the time comes, someone will have to remember that in the midst of the war there were people with placards saying 'Sharon is a murderer.' The demonstrations during the war were organized. Political leaders, by their very behavior, encouraged terror organizations in Lebanon, even if they did so unknowingly. Those who stood there with placards saying 'murderer' have no more rights in Israel than I do, moral or otherwise.

[Question] You were also called a liar...

[Answer] This was one of the dirtiest lies. Maybe someone will finally come along and prove it. I am prepared for any confrontation on the matter. I am not name calling anyone. I could employ the ugliest terms and even then not exhaust what they deserve. I did not choose this way, I am not following this route.

[Question] It is your colleagues in Herut who say that one reason for Begin's self-imposed isolation is connected to you. You did not tell him the truth during the Lebanese War.

[Answer] There is no basis for the accusations that operations were carried on without the government's awareness. I have enough stamina to wait until all the minutes of the government meetings can be made public. All the inciters will then blush with shame. There wasn't even one move which had not been approved by government. The whole affair needs to be investigated at some time, when the atmosphere is cooler, when time passes and things can be considered from the proper perspective.

[Question] In the past you were Begin's favorite. Now there is alienation. What is the reason for it?

[Answer] My relations with Begin are still very much alive and I think that there is no basis for these rumors.

[Question] Do you visit him?

[Answer] I met him several times and I have been in touch with him by phone. These assumptions have no bearing on reality. There are those who use incorrect facts for furthering their own interests.

[Question] Beni Begin came out against you. Was that a blow to you?

[Answer] I prefer to not comment on the subject. I am sure that what he said does not reflect Begin's position. Out of respect to Begin senior, I would rather not comment.

[Question] Although you have been hurt?

[Answer] I will not pursue this further. I gave you my answer.

[Question] Have you talked with Menahem Begin since his son came out against you?

[Answer] No.

[Question] When you are out, your supporters often surround you singing 'Arik, king of Israel.' Do you enjoy that?

[Answer] I react quietly. In spite of descriptions to the contrary, I am not an impulsive person. I like to talk to people who react quietly. When people treat me warmly, it is definitely pleasant, but also embarrassing.

[Question] You have never made a secret of the fact that you aspire to the premiership. What is your time table?

[Answer] I am not in a rush. I am not rushing anywhere. As a politician I say, and quite clearly, that one day I will try to achieve this. If it does not happen, it won't be a blow. Presenting me as a man obsessed with ambition is simply not true. I have said many times that my secret weapon is that I have far less ambition than some people ascribe to me.

[Question] Herut's veterans have not yet forgiven you that when you were in the process of establishing Shlom-Tziyon you were in touch with Yosi Sarid, considering a joint party.

[Answer] I have never been in touch with Yosi Sarid. I have denied that a hundred times. I never considered running with him on the same ticket. I have not changed my positions on the matter. This is my answer.

[Question] It was published that you suffer from rheumatism. Does it bother you much?

[Answer] I have long since recovered. Everything is all right.

[Question] In recent days you have canceled public appearances because of your mother's illness. You sat at her hospital bed for long hours. You must have had some very difficult days.

[Answer] I have a very special mother. Up to recently she used to work in the orchard every morning. When she is sick, it is very difficult. A mother is a mother. There is only one mother.

[Question] There has been a lot of talk about you in the past year. Many articles were written about you, even a book. Is it true that you don't stop for red lights?

[Answer] I have not read the book, nor did I participate in its writing. Of what I have read in the press, I saw it as an unusual collection of lies and nonsense. It is difficult to conceive that one book can contain so many lies and stupidities.

[Question] Nevertheless, do you stop at red lights?

[Answer] I don't quite follow the title. It is so far from the truth that I don't see any reason to even bother to comment.

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ISRAEL

TRADE DEFICIT INCREASES 152 PERCENT

Tel Aviv HA'ARETZ in Hebrew 10 Jan 86 p 12

[Article by Shlomo Ma'oz: "Rise of 152 Percent in Israel's Trade Deficit"]

[Text] Israel's trade deficit increased at the rate of 152 percent during the last 2 months of 1985. This is based on seasonally adjusted data and without import and export data. The serious deterioration is relative to September-October. These data were published by the Central Statistical Bureau, which explained that the deficit growth resulted from a 16-percent rise in imports and a 16-percent drop in exports.

In 1985 Israel's trade deficit totaled $2.002 million as compared to $2.521 million in 1984 and $3.556 million at the height of 1983. The improvement in the deficit throughout 1985 resulted from an 8 percent rise in exports, which totaled $6.073 million, and from a drop of only 0.8 percent in net imports, which totaled $8.075 million.

Seasonally adjusted data show that during the second half of 1985 there was an 8 percent drop in the deficit, following a 9 percent drop in the deficit during the first half of the year--every half year as compared to the previous one.

There was a big growth in imports during the last quarter of 1985--10 percent more than the average level of imports during the first 9 months of the year. The growth of consumer goods comprised 26 percent between the periods mentioned, including durable goods, 50 percent. The deficit with the Common European Market totaled $1.086 million--a 5 percent drop. Fifty-five percent of the deficit resulted from trade with Germany. The data do not include diamonds. The deficit without diamonds with the United States totaled $337 million--a 51 percent drop. With diamonds there was a surplus of about $300 million in trade with the United States (until November).

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ISRAEL

GROUNDWATER RESERVES BECOMING DEPLETED

Tel Aviv HA'ARETZ in Hebrew 10 Jan 86 p 12

[Article by Eli El'ad: "Fear of Nonrenewal of Groundwater Reserves Owing to the Scarcity of Rains"]

[Text] The scarcity of rains is evoking great concern in water institutions, which are disturbed mainly by the nonrenewal of groundwater reserves, whose level continues to drop in various regions in the country to such an extent that wells must be closed.

The Yarqon-Tanninim aquifer, which is one of the two big groundwater reserves in the country (the second is the aquifer of the coastal plain), now contains only about 230 million cubic meters of water above the "red line," under which it is prohibited to continue pumping owing to the danger of salination.

In Meqorot's drilling in the Lod plain the water level has dropped below the pumps, so that for the time being the company cannot continue pumping from this drilling. In the Yavne region the groundwater level has dropped about 1.5 meters, and in the Ma'anit region, 3 meters.

In the Golan Heights the springs that supplied drinking water to Moshav Qeshet have stopped gushing forth and Meqorot installed an alternative water line for the settlement. Problems of drinking water supply also arose in the region of the Argaman and Biqa'ot moshavim in the Jordan Valley.

The water level of the Kinneret has hardly risen since the beginning of winter and it is now at an ebb of -211.82 meters below sea level. The flow of water in the Yarmuk and in the Jordan is defined as nil.

Meqorot spokesman Mordekhay Ya'aqubovitz noted that the accumulating hydrological deficit of the water economy, which amounted to about 1.5 billion cubic meters, increased even more in the absence of rain. During this season of the year every passing day without winter rains is a lost day.

A meeting in the Ministry of Agriculture with the participation of heads of the water system is scheduled for next week and, among other things, water supply during the forthcoming summer will be discussed.

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ISRAEL

AIR-GROUND LIAISON IN IDF

Tel Aviv BITA'ON HEYL HA'AVIR in Hebrew Jan 86 pp 25-27, 87

[Article by Ari'el Guler: "The Liaison Force"]

[Text] It is hard to think of any Air Force group that did not participate in the IDF command exercise at the end of Novemeber-beginning of December. Fighter planes carried out air attacks against feigned enemy forces and objectives. At certain stages of the exercise our planes even simulated enemy planes attacking IDF forces. Attack helicopters found their place in the first assault wave, while other choppers were busy transporting fighters and their equipment to the "battlefield," shipping cargo, evacuating the "wounded," etc. Supply squadrons were called on to land and drop forces, equipment, and supplies. The anti-aircraft battalions and control units were also used.

The participants constituted a mighty force. That force was activated to achieve the Air Force's goal in the framework of the exercise: drilling liaison with the ground forces. This liaison is the task of the Air Force's cooperation unit. In the above-mentioned exercise, this unit fulfilled a very central function--both in terms of its scope of activity in the exercise, which was the broadest in the history of the IDF, and in terms of the very definition of the Air Force's mission in the exercise: liaison.

The cooperation unit is headquartered at one of the Air Force bases. The unit's regular force is based there and constitutes its "hard core." Some of the unit's people are reservists.

That is mainly the case with pilots, who serve as Air Force representatives and air advisors to the commanders of the various fighting forces at the various echelons of the force. During wartime the unit's people are sent to the unit's rear command posts and to the forces fighting in the field. At these forces' headquarters a tent is set up to house the air advisor, his crew, and the instruments they use in their activity. That air advisor has broad knowledge of many activities involved in the work of the Air Force. Additional pilots are at his disposal from various fields: fighters, helicopters, attack helicopters. The more detailed the treatment of a particular equation becomes, the more professional the people assigned to it.

Because a portion of the air advisors are reservists, who, in some cases, no longer fly in the various squadrons, a problem arises that the unit must deal with. It is precisely to these people that requests for Air Force participation are addressed, and there is concern that it be carried out in the best possible fashion. They must therefore maintain a high level of up-to-date knowledge. The unit for cooperation therefore conducts very intensive training activity.

Mighty Force Multipliers

[Question] Brigadier General M., commander of the cooperation unit, how do you see the Air Force--as a support force or as a participating force in land battles?

[Answer] In my opinion, the Air Force is a participating force. Here we are getting into definitions and very high-level policy. I believe the Yom Kippur war was the last war to prove that this kind of liaison is vital. There is no service branch that can fight alone. Liaison is not a motto or something "desirable," it is a must. This was particularly striking in the first hours of that war. When the IDF barely managed to accomplish its missions, it turned out that each service branch absolutely needed the other to support it in those areas of the war in which it had gotten "bogged down."

The term "participation" certainly expressed the situation that prevails today. Today no one can achieve his missions by himself, not to mention higher-level things. The ground forces cannot act without the Air Force fulfilling its missions--by difinition, defending the country's skies and achieving air superiority. That is also participation. But very concretely, on the battlefield, there are things which are almost the exclusive prerogative of the Air Force, at very difficult stages of the battle. I see the Air Force vital in defense, vital in offensive missions--without it the ground forces cannot carry out their missions. That is not support, they simply work together to achieve the mission.

There are still some people who argue the terminology--I see participation achieving more than force multiplication. Each of the two forces alone can achieve certain things. The minute there is liaison between them, you get much more than one plus one. You get multiplication of force that is way beyond that.

An Integral Part of the System

[Question] Is it correct to view your unit as a kind of filter between the forces in the field and the unit's command posts?

[Answer] It could be viewed as a kind of filter. But it would be more correct to see it as a liaison unit, a unit that translates one language to another. There are two powerful systems: one the one hand, the ground forces; on the other, the Air Force. Each speaks its own language, with its own maps, its own timetables, etc. We are in the middle. Whatever I get in a certain form I have to process and translate into the other language. From my point of view, it would be ideal to stand in the middle and work as an integral part of

the system without feeling at all what happens next. That is: air advisors at the formation level in the field work with the ground forces in a section of their war rooms. They talk with them, move with them in the field, and everything is according to the rules and methods of that particular command.

On the other side of the coin, a squadron at one of the air bases receives a regular operation order, with all the data, in sufficient time. The plane takes off, flies, every detail that it needs arrives in sufficient time. We need to be doubly reliable, work simultaneously, and know how to maneuver between the events that hit us from both sides. For example: the weather. Bad weather is almost an insignificant factor for the ground forces; they continue to fight. But planes are completely dependent on the weather. Still, in the hours after bad weather, the ground forces are likely to be stuck in one place while planes can act freely. We are expected to see what the problems and opportunities are for each of the two systems--and integrate them. If one of the systems, for example, gets hit by a problem and the other system can help, we are the ones who make it happen.

Control at Every Level

[Question] How exactly are things carried out in the field from the moment the force commanders make the request until the flight takes off and carries it out?

[Answer] The ground forces people approach us and ask the Air Force to carry out a certain mission. They do not specify the kind of plane or helicopter, the kind of ammunition, how to do it, what routes to fly, etc. We receive the request. The details and the planning--how to carry out the mission--are decided by an Air Force man in the field, in direct contact with the ground forces, to make sure that what the ground forces requested is carried out. More detailed professional planning is done in the cooperation unit's command posts. Our forward positions also have forces allocated to them--helicopters, attack helicopters, and all the capability of the field itself.

All the requests are sent back to the various rear positions, and on the basis of information forwarded there, mission orders go out to the forces that will carry out the request and to the forces that control them. Thus the mission planning circle is completed so that the right plane with the right ammunition takes off at the right time to get finally to the target. The final completion of a specific goal can be changed while it is being carried out, even in real time.

Increasingly Close Cooperation

[Question] Could you give us a short review of the history of the cooperation unit?

[Answer] Cooperation has existed as long as the Air Force has existed, but back then they called it air support. The outstanding example from the War of Independence was when four of our planes blocked the advance of an Egyptian armored column on Ashdod. Down through the years, the Air Force has provided support or cooperation to the ground forces. The units that have actually

carried that out have undergone several reincarnations, with two big turning points coming in the wake of the Yom Kippur war and the war in Lebanon. The system continues to improve enormously. But we are dealing with the modern battlefield, and the fact of improvement does not yet assure that we will have a much better capability. In my opinion, our capability has not yet surged forward to the degree the organization of the cooperation unit has.

Bodies such as these and others have been set up. But in my opinion what is particularly noteworthy is that the Air Force role since the Yom Kippur War has continually increased.

What has guided our thinking is that in order to carry out a mission, several circuits need to be closed. There are data and details that must be available to anyone dealing with that mission, so that everyone works together and knows what it is all about. Once the circuit is broken, and some elements do not do their share or do it half-heartedly, there will be problems in the implementation. Our objective in the organization of the unit and its recent activity has been more and more to close those circuits.

[Question] Can the war in Lebanon be considered a turning point in the development of the strategy of cooperation?

[Answer] Not a particular turning point, but still a kind of turning point. In fact we did not change anything significant in the war in Lebanon. Most of it was known beforehand, it was simply a matter of "closing more circuits" in battle strategy, in the area of connections between the requests made in the field and the rear position--thus, to close the implementation circuits that were previously more like open loops as things simply were not being fully "closed."

Areas of responsibility were redefined and the two bodies that had existed previously (one dealt with helicopters while the other handled fighter planes) were united into a single more orderly and established body--the cooperation unit. Instead of a scatter-brained body with a lot of people, each occupied with a narrow specialty, we now deal with cooperation in general, in all aspects. There is mutual input between different kinds of missions and the unit's members are more reliable in areas that are, as it were, foreign to them.

[Question] Does the cooperation unit influence the pilot's job in the air?

[Answer] I would imagine that it does. That is the bottom line of this unit: the attack pilot receives an order, takes off, dives, focuses his sights on the target, and releases his bombs. Our job is to make sure that this will be the important target that the requesting force needs us to attack. The check that has to be done is to assure that the system does the job at the right time on more numerous and more important targets that can influence the battlefield. I do not know if the pilot can feel the change immediately, but clearly he can feel that the people speaking to him from the field are more reliable.

[Question] Your people are mostly pilots. Suddenly they are taken to the reserves, thrown into the field, abroad--how does that affect their functioning?

[Answer] There is a process of adjustment here. It is a very personal matter and depends on the individual. I have fantastic people who are pretty much driven by motivation and the mission. They look around to see how they can best serve their country--and give it their all, even to the point of going out into the field, which, as active pilots, they have never experienced before. By the same token there are those pilots who are still adjusting or those who look more at "how am I doing" rather than "what am I doing"--and there is a problem with those. I have to struggle with some pilots who, apparently, at the outset do not understand the importance of the unit. They look more at the way things are done and "pull" for more comfortable positions instead of coming under fire in the field. And we also have air advisors who do come under fire.

However I am happy to state that within our unit the first kind of people are a leading majority. Even when a man reaches a certain age, he still wants to be important and contribute. I do not have to give pep talks...sometimes the people who come to us from the Air Force are surprised. They come into the field and see our people in conditions that they had never suspected.

To Improve Strategy Even More

[Question] What is your appraisal of your unit's performance in the exercise?

[Answer] First of all, I am very happy that the exercise was conducted. A very large portion of the unit was activated at all levels--in the field, at the command posts, in the unit itself (conscription, supply, equipment, etc.).

The strategy devised after the war in Lebanon was drilled and instituted. For some things, the drill supplied the first opportunity for the men to see the full range of problems. They had to deal with them with their own hands and read the picture with their own eyes. There are things that cannot be conveyed methodically, in lectures, etc. In addition to that, we exposed some additional points, not many, that the strategy had not fully formulated or covered. Some of those points are our unit's responsibility. Some of them are the responsibility of other bodies, within the Air Force or outside it. They are precisely the lessons by which we need to learn and improve.

9794
CSO: 4423/86

HIZBALLAH APPEALS FOR JOINT ACTION AGAINST ISRAEL

Beirut AL-'AHD in Arabic 20 Feb 86 p 1

[Excerpt] On the occasion of last year's anniversary [of Raghib Harb's death], Hizballah directed an open letter to the oppressed in Lebanon and the world in which the matter of a greater Islam stood out. This was done because of the fierce confrontation with America, Israel, and the rotten Phalangist regime and it was void of all the pettinesses of the distorted interior. Some thought that this initiative would be no better off than previous communiques and concepts which some have announced and then labored in every direction to violate.

However, a full year has confirmed that Hizballah is up to the confrontation and that preoccupation with internal matters is based on sectarian distortion. These matters do not worry [Hizballah] in the short or long term. In fact, it perceives clearly that this preoccupation is itself a distortion.

On this basis, a spirit of suffering and compassion was aroused in Hizballah, as well as a sense of regret about what had separated the others with regard to the Muslim community and the homeland.

While the blood flowed senselessly and without cause in Beirut, the camps, and Muslim Tripoli, Hizballah stood shouting to the players: "Fear God in your blood and save it to fight your enemies. Israel still lies in wait for our land, our religion, and our honor."

Yet the people were approaching a clash in the land, whose cost was a blow to the Muslims in Lebanon, and the banishment of Islam from the streets of Tripoli.

Today perhaps they are awakening and reviewing what their hands had concealed, and realize that there is no security, no solution, and no settlement in the country unless the Zionist enemy is completely driven from the occupied lands of the Muslims.

Perhaps they are conceding the truth, that Islam cannot today be banished from the arena, that the resistance springs from it and triumphs through it. The others will have no choice but to follow along blindly. This is what we ask of all, even those outside the arena of conflict. This is the opportunity we do not wish to miss.

AL-'AHD

/9365
CSO: 4400/131

UNITED ARAB EMIRATES

TRADE WITH BULGARIA INCREASING

Dubayy KHALEEJ TIMES in English 7 Mar 86 p 13

[Text]

BULGARIA's exports to the UAE have registered a slight increase despite current obstacles to trade with the Gulf such as the economic slow-down and effects of the Iran-Iraq war, according to the country's ambassador to Kuwait, Ivan Budinov.

In a chat during a visit to this newspaper's office in Dubai, Mr Budinov said exports to this country last year were worth about $5 million and promotional efforts were to be undertaken to augment trade.

A high-level delegation led by the chairman of the Bulgarian chamber of commerce will visit Dubai at the end of this year and the first Bulgarian solo exhibition is proposed to be held in the emirate in early 1987.

Mr Budinov who was accompanied by the director of Bulgaria's trade centre in Dubai, Vesselin Bijev, said the absence of shipping links between the two states hindered growth in trade.

Three years ago, Bulgaria started a direct shipping service, but it was found to be uneconomical because usually there was no cargo for return voyage. However, when there are huge consignments for this region Bulgarian exporters charter vessels for direct sailing.

Among the country's major exports to the UAE are canned food, live animals, textiles and canned fruits and vegetables. Among the highlights of bilateral economic cooperation has been a joint venture design and consultancy firm.

It designed several prestigious buildings in the country such as municipal offices in Abu Dhabi and Al Ain, the central bus station in the capital and the foodstuff testing laboratory in Al Ain.

Over 3,600 tourists from the UAE visited Bulgaria last year, 40 per cent of whom were nationals. Its national airline runs a weekly flight to Abu Dhabi and during the holiday season, there are frequent chartered flights for tourists from various local airports.

Discussions are now under way with concerned ministries in the UAE for organising a Bulgarian cultural week in the capital which will feature the country's heritage of painting, puppet theatre, monuments and other subjects of interest.

/9317
CSO: 4400/130

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

SITUATION SEEN STILL UNSTABLE

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 25 Feb 86 p 6

[Article by Wolfgang Koehler: "Aura of Violence Still in Air--Street Battles Follow Aden Massacre"]

[Text] Aden, 24 Feb--In the meeting room of the central committee of Yemen's Socialist Party the aura of violence and horror is still in the air. The room has the smell of death. Pools of dried blood around the oval conference table mark the spots where the members of the Politburo of the ruling government party were shot on 13 January. There are spent cartridges on the floor and bullet holes in the walls. The windows have been smashed; the curtains are torn; the lamp above the chairman's place has been shattered but the bulb is still burning. There are empty tea glasses, coffee cups and ashtrays on the table along with a copy of the "14th of October" newspaper, published on that fateful day when the almost 2-week-long power struggle began in the capital of South Yemen and a new chapter in the often bloody history of Yemen was written. Thousands of people--there are estimates of up to 7,000 in Aden--are said to have perished in the hours and days that followed. Many were first tortured and suffered a horrible death.

In front of the white, one-story building with the green-and-red window frames there still stands the dust-covered, German-made limousine which played such an important part in the massacre on the first floor according to the official version of events. Shortly before 10 am on that 13th of January, the official car of the since deposed chief of state and party leader Ali Nasir Muhammad drove into the courtyard in front of the building which is part of the walled-in, heavily guarded party headquarters in the Tawahi section of the capital. But the president was not sitting in the curtained-off back of the car. The representative of the ministry of information who is acting as our guide tells us that this was meant to mislead the members of the Politburo arriving to take part in the scheduled meeting. To make the deception complete, the president's chief body guard carried the latter's briefcase and a thermos bottle filled with tea into the conference room as usual. The members of the Politburo who were beginning to gather in the conference room assumed that their chairman was in his office next door.

In his stead the bodyguard entered the room once more--this time with a submachine gun in his hand--and shot Vice President Ali Ahmad Nasir Antar, who had been standing at his place to the right of the president's seat. This is the way our official guide describes the start of the massacre to us--which is not without precedent in the history of the Near East. In the course of this no doubt precisely planned and well-prepared blood bath three more of the president's opponents were killed: Abdal Fatah Ismail, Ali Shai Hadi and Salih Muslih Qasim, who shot and killed the president's body guard before he himself succumbed. Other body guards of the Politburo members forced their way into the room and started firing at each other. The gun battle spread to other rooms of the building and more people were killed and wounded. Ali Salim al Baid, who was appointed to the post of general secretary of the central committee and the Politburo of the ruling party by the new regime and thus occupies the highest position in the country under domestic protocol, was able to escape into an adjoining room together with Abdal Fattah Ismail and suffered only minor injuries. When asked about Ismail's death, which was not officially confirmed until rather late, our guide refers us to higher-ranking officials and promises to arrange interviews with them. In the courtyard of the building he then proceeds to show us the spot where 16 more opponents of the deposed president were shot later that same morning.

According to the official coup version, the president himself had left the capital city of Aden and gone to his home province of Abjan in the north of the country to await the outcome of the struggle there. It is said that he was accompanied by Abu Bakr Bathit, Anis Hassan Jahja and Abdal Ghani Abdal Qadir, all Politburo members loyal to him. According to foreign observers in Aden, the fact that none of the deposed president's supporters were killed in the massacre at party headquarters speaks for the accuracy of the official version of the events. Ali Nasir Muhammad is said to have moved his own family from the capital 3 days earlier. His private residence located on a hill above the party headquarters is undamaged; at least no bullet holes can be seen from the outside. No one is permitted to enter the premises. By contrast the residences of Abdal Fattah Ismail on another hill in the Tawahi district of the capital and of Ali Shai Hadi, several hundred meters away on the seashore, were quite obviously taken under direct artillery fire and destroyed--at a time when the owners had presumably already been killed at party headquarters. We were also shown a spot above the party headquarters where 18 actual or presumed opponents of the deposed president were first kept prisoner and then shot.

Demonstrative Opening of the Country

The new rulers charge the deposed president with having "conspired" to remove his opponents by violent means. These opponents are said to have tried to restrict the "deviationist, power-mad" president's powers and to lead him back to the right course. Did he perhaps steal a march on his opponents by starting the bloody coup which ultimately cost him his poli-

tical life. This is a question which seasoned foreign observers are asking as they point to other bloody changes of government in Yemen's recent past. The spot where "the tragic events began" will be left in its present state for another month or two so that it can be shown to domestic and foreign visitors. On the day we were there, a delivery truck had parked in front of the building. Pasted onto the sides of the truck were photographs of the four "martyrs" of the massacre: Abdal Fattah Ismail, Ali Ahmad Nasir Antar, Ali Shai Hadi and Salih Muslih Qasim. Their photographs can also be seen elsewhere, on the walls of houses and on passenger cars.

In the view of local and foreign observers, the capital city of Aden has recovered surprisingly fast from the violent street battles between supporters and opponents of the deposed president which took place in the aftermath of the massacre at party headquarters. In the Tawahi, Mala and Churmaksar districts, where most of the fighting took place, many buildings still bear traces of the battles. The walls are pockmarked with holes; apartments have been burned out; windows were smashed; in some instances only the retaining walls of buildings have been left standing. A number of burned-out vehicles have been left standing by the roadside. The traces of the fighting have long since been removed from the roads themselves. One foreigner who has been living in Aden for 4 years says that he cannot remember ever having seen the city this clean and well-tended. The Yemenis have started repairing the damaged buildings, i.e. those which were not totally destroyed, with unexpected zeal. A crane is parked in front of one building; scaffolding has been put up in front of another and workers are busily patching up holes in the walls. Compared to Beirut where opposing militias have been firing at each other, sometimes over and over in the same parts of the city, for almost 11 years now and have turned most buildings into ruins, the damage from the fighting in Aden seems almost minimal. The actual extent of the fighting and the high toll in human life in just a few days can only be gleaned from the reports of eyewitnesses.

The embassy of the FRG, which was heavily damaged in the fighting, is located in Churmaksar district, one of the focal points of the battles. Shells which hit the roof and the first floor of the building did extensive damage to the ambassador's living quarters. When the fighting began, the ambassador, his wife and two small children withdrew to a room on the ground floor which seemed safest and held out there along with other foreign nationals until they were evacuated on 16 January. A large number of other buildings in this area was also hit. For this reason, the theory that the embassy might have been singled out is discounted--the more so since there is a troop barracks located directly across from it, which apparently became involved in the fighting. According to reports by foreign nationals, the opposing factions of the army never fired point-blank at foreigners but were in fact making every effort not to involve them in the fighting. In the absence of embassy personnel, members of one of the fighting factions broke into the embassy and ransacked the premises. A representative of the [FRG] foreign office, who had previously been stationed at

the Aden embassy for several years, arrived in Aden on 8 February and has since cleaned up the ransacked rooms and initiated repair work on the building. The German ambassador accredited to South Yemen has his residence in Sanaa, the capital of North Yemen. No German diplomat has as yet come to Aden to establish political contact with the new state and party leadership.

Since the change of government, travel to South Yemen for journalists has become easier. In years past, their visa applications were turned down as a rule. Now, after a mere 24-hour wait, an entry permit valid for 30 days is issued free of charge and upon arrival at the Aden airport a 3-month residence permit is stamped into the passport without asking. Passport and customs formalities are handled quickly and without incident--in contrast to the lengthy searches to which travelers sometimes had to submit in the past, as seasoned foreign observers remember. A member of the editorial staff of the newspaper 14TH OF OCTOBER has been given the job by the information ministry of assisting foreign journalists and is at pains to fill all requests for interviews and visits. The country, which had largely been sealed off up to now, appears intent on improving its image in the West under the new leadership. As of the moment, it is unclear how far this demonstrative opening of the socialist-oriented country which thus far has been collaborating closely with the Soviet Union and the other socialist countries will go in the political realm.

9478
CSO: 4620/33

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

ROLE OF AL-'ATTAS IN ADEN COUP ANALYZED

London AL-TADAMUN in Arabic 1-7 Feb 86 pp 10-11

[Article: "'Mamluke Massacre' Unleashed War of Comrades, Al-'Attas Nomination Aimed at Reassuring Neighbors"]

[Text] One account said that 'Ali Nasir wanted to "beat his adversaries for lunch" before they "ate him for diner" and that Haydar Abu Bakr al'Attas may be the premanent and not just the temporary replacement.

Among a large number of accounts coming in about events in Aden, AL-TADAMUN listened to some Yemenis living abroad relate with some confidence what happened in Yemen. AL-TADAMUN summarizes below, with great reservation, some of the accounts it heard from those circles who, by virtue of their business abroad, maintain ties with and remain close to the Yemeni scene. We say "with great reservation" because the matter that unleashed the "war of comrades" needs some time to be totally revealed.

One of the first accounts to come out of South Yemen about the events that led to the outbreak of war among the ruling group in Aden was one that said that 'Ali 'Antar, vice-president of 'Ali Nasir Muhammad, was the first to draw his gun and fire at 'Ali Nasir, thus causing utter confusion which prompted the presidential guard to intervene and threw the country into the whirlpool of a bloody struggle. Accounts AL-TADAMUN heard from Yemeni circles in a non-Arab capital, who insisted on anonomity, point to what these circles described as a "new Mamluke massacre" masterminded and engineered by President 'Ali Nasir Muhammad himself as the cause of the bloody events there.

This account goes on to say that "the massacre which--according to the same circles--was carried out by Ahmad Musa'id, a politburo member loyal to President 'Ali Nasir, and Muhammad 'Ali Ahmad, a relative of Nasir and governor of Abyan Governorate, the home of these two persons, began by calling the Politburo to a 10 am meeting on 13 January 1986 at the YSP headquarters in aden where politburo members began arriving with their dossiers, expecting to discuss problems related to development and political reform. President 'Ali Nasir Muhammad's car was parked in front of the building's entrance and the president's special guards carried his personal attache case, in view of the building guards and some politburo members, to the

meeting hall, thus suggesting that the president was in the building in one of the halls. Meanwhile, armed 'Ali Nasir followers, bearing a combat order to fire at anyone leaving the building upon hearing the sound of bullets inside the party headquarters, fanned out on the roofs of adjacent buildings, most of which housed government offices. In the meantime, some of the participants noticed the absence of all the president's politburo proteges, which seemed strange at first, but thought it a mere coincidence since all suggestions pointed to the president's presence inside the building."
The acount goes on to say "it was a few minutes after 10 am when the doors of the meeting hall were opened and a group of armed guards, belonging to President 'Ali Nasir Muhammad, entered and began firing indiscriminately at the people in the hall. When these shots were heard, government employees in adjacent buildings went out to see what was happening and came under fire from the roofs of these buildings, which led to the death or injury of scores of them. Meanwhile, other groups at various popular and official centers were arranging imaginary meeting by party bodies belonging to the 'Abd-al-Fattah Isma'il group. Some of these meetings occurred at a number of locations, including the military academy, the Ministry of Defense, and party headquarters in neighboring areas and quarters where the same scenario was repeated, causing the death of 500 to 700 members of the party and government political and educated cadres."

The account concluded that "'Ali Nasir Muhammad's followers arranged to evacuate their families from Aden to Abyan Governorate to get them away from the possible struggle. Moreover, the date of the massacre was arranged while Prime Minister Haydar Abu Bakr al-'Attas and Foreign Minister 'Abd-al-'Aziz al-Dali, both members of the politburo, were out of the country, thus suggesting that 'Ali Nasir Muhammad did not wish to provoke the heavily-populated Hadramawt area, the home of the prime minister."

Conflict and Disagreement

But a persistent question remains: Why did the events occur and where does the essence of the conflict between the two sides lie? These same circles say in explaining what happened that "President 'Ali Nasir Muhammad is undoubtedly a good-hearted man who has benefitted from his 15 years of experience in government. However, he began following a policy of containment and intervention to remain in power. It was the evil entourage that suggested to him the existence of a tendency to diminish his powers, limit his authority, and alienate him from the party cadres, especially since 'Abd-al-Fattah Isma'il had left Aden in 1979 by decision of the party's politburo as well without any bloody battles. Hence, it appears that 'Ali Nasir Muhammad's entourage succeeded in convincing him that his future was in great danger and, therefore, he should struggle to prevent the other sides from sharing power, a situation which had led to the politburo's failure to convene since its election during the third party convention in November 1985."

The same circles added that "talk about radical wings and moderate wings in democratic Yemen is not accurate and must not be the focus of attention for the moderation manifested in the policy of Democratic Yemen during the

last 5 years was the decision of the party and all its organizations, and not the individual policy of 'Ali Muhammad. Hence the conflict was not an ideological party difference, but rather a disagreement over sharing power. When 'Abd-al-Fattah Isma'il was party secretary general and president of the presidential council, many officials asked him to abdicate one of these two positions, but he insisted on getting another position, that of prime minister. It happened that Isma'il threatened to resign if he did not get the three positions, so he was told to resign and he did. During that time, some groups, which are currently sympathetic to 'Abd-al-Fattah Isma'il, used to sympathize with 'Ali Nasir Muhammad, including, for example, politburo members 'Ali Salim al-Bayd and 'Ali Shayi' Hadi. 'Ali Nasir Muhammad was elected president of the country and party secretary general while retaining his position as prime minister as well."

These circles go on to say that, following years of struggle and pressure, alliances shifted because many people did not want any one person to fill the three positions. Years of voluntary exile had taught 'Abd-al-Fattah Isma'il to accept this tendency. When 'Abd-al-Fattah Isma'il returned to Aden, he formed an alliance with the aforesaid sides with a view to distributing the three key positions. When 'Ali Nasir Muhammad sensed that these alliances were gaining power, he gave up the premiership, which Haydar Abu Bakr al-'Attas, a native of Hadramawt, assumed. 'Ali Nasir Muhammad, after years of struggle, refused to resign his position as secretary general or president as he was asked to do for fear of meeting the same fate as Salim Rubayyi' 'Ali when he was given the presidency only, thus facilitating his demise after a period of time. As for the policy of moderation which marked the regime of 'Ali Nasir Muhammad, it was promoted and blessed by the Soviet Union, the only financier of Democratic Yemen for development and armament programs. Likewise, 'Abd-al-Fattah Isma'il's return was not, in any respect, the result of Soviet pressures or of political knee-jerking within Yemeni organizations. Rather it came about as a result of a collective politburo decision which no one opposed. Recent allies of 'Abd-al-Fattah wanted him to resume his position as party secretary general, a move rejected by 'Ali Nasir. The Soviets viewed the problem as an internal affair best left alone. Nonetheless, Moscow was surprised by the turn of events in Aden during the fighting. This view was borne out by the fact that the Soviet Union did not take sides since both parties belonged to the same ideological tendency and the conflict was over the division of leadership positions. This is supported by the fact that the Soviet Union did not receive Prime Minister Haydar Abu Bakr al-'Attas officially. Neither President Andrei Gromyko nor party Secretary General Gorbachev met with him so as not to give the impression that the Soviet Union supported one side against the other.

Why al-'Attas?

Concerning Haydar al-'Attas' nomination as a temporary replacement, these same circles said the following:

"There is no doubt that the decision adopted by the politburo on Friday, 24 January 1986, to appoint Haydar Abu Bakr al-'Attas president of the

country for a transitional period until the politburo elects a new president points to a trend within Yemen to settle matters rationally, following the state of severe madness, especially since al-'Attas is considered to be one of the erudite and composed groups trying to reconcile the conflicting parties. He is considered acceptable to both North and South Yemen as well as to neighboring countries. He is also considered to be experienced in affairs of state since he is the oldest minister in Democratic Yemen. He was minister of planning and development 15 years ago and is a Hadramawt leader. He joined the National Front during the struggle against colonialism and he comes from a large, well-to-do family spread out over Saudi Arabia and other Gulf countries. Furthermore, he does not owe any favors to any side and is known not so much as a radical or a moderate, but rather as a technocrat. Many believe that he will be elected to the presidency when the politburo and the executive committe meet in the next 2 weeks."

These circles concluded that "al-'Attas' nomination was aimed at reassuring the neighbors that South Yemen will not pursue a rigid Marxist course. Rather, the heavy losses suffered at the party cadre level will indeed lead to the rise of second and third line cadres to the party leadership, something that calls for a re-evaluation of the political and economic situation in keeping with existing circumstances and the situation in the region."

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CSO: 4404/235

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

ADEN'S EMBASSY IN UAE ACCUSED OF ESPIONAGE

Cairo AL-WAHDAH in Arabic 15 Dec 85 p 10

[Article: "Aden's Embassy in UAE a Spy Nest"; Cairo AL-WAHDAH in Arabic; monthly organ of the National Grouping of Patriotic Forces in the Yemeni South]

[Text] AL-WAHDAH has received information to the effect that Aden's embassy in the UAE has been turned into a nest of espionage after being recently supplied with a number of elements from the Revolutionary Security Agency [RSA] under diplomatic vover. Furthermore, a number of these spies have been assigned to the offices of the Yemeni Airline Company in Abu Dhabi and al-Shariqah.

AL-WAHDAH's own information says that instructions have been issued to the South Yemeni ambassador to Abu Dhabi, Ahmad 'Awad Haydarah, a member of the RSA, to concentrate his diplomatic and ideological activities on Abu Dhabi, Ra's al-Khaymah, Dubayy and al-Shariqah.

This information notes the presence of a network of agents in Dubayy, extending to Ra's al-Khayaah, which is undertaking espionage activities and information-gathering from the UAE and the Sultanate of Oman. This network has been charged with spreading rumors and collecting information about the armed forces and economic conditions in the UAE. Moreover, information received by AL-WAHDAH mentioned that the embassy was involved in unusual activity among Gulf citizens for the purpose of using them to form underground political cells within their ranks. The embassy is seeking the help of some groups belonging to the Popular Front for the Liberation of Oman, some of which are in Dubayy and Ra's al-Khaymah.

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CSO: 4404/236

YEMEN ARAB REPUBLIC

MUHAMMAD SALIH EXTOLLED FOR IMPROVING SECURITY SERVICES

Sanaa AL-RA'Y AL-'AMM in Arabic 9 Dec 85 p 2

[Article by Major 'Ali Ya'qub: "Central Security, Between Yesterday and Today"]

[Text] Among the key units in our armed and security forces are the Central Security units that were created early at the dawn of the immortal September revolution in realization of the second objective of the glorious 26 September revolution. Ever since their creation, these units have been making rapid strides in an endeavor to reach the aspired goal, attain perfection in the fields of law and order, spread stability, and perform the great task assigned them. Indeed, they have achieved this at the hands of Lieutenant Colonel Muhammad 'Abdallah Salih since, during the regime of the pioneer of democracy, the leader of the march and the upholder of the revolution's principles, His Excellency Lt Col 'Ali 'Abdallah Salih, president of the republic, commander-in-chief and secretary general, he was appointed commander of these Central security units. He gave them of his great self and led them in rapid steps to their present state of development which is in step with modern military buildup, be it from the standpoint of numbers, expansion, or the introduction of modern weapons and the intensification of military and security training for their personnel.

Lt Col Muhammad 'Abdallah Salih, deputy minister of the interior, commander of the Central Security units and member of the permanent committee, has given these units a great push forward. He has molded them in their complete, perfect shape, qualitatively and quantitatively. They have attained their goal today at the hands of our audacious leader, Lt Col Muhammad 'Abdallah Salih, the deputy minister of the interior and member of the permanent committee, who works in silence and does not begrudge any time and thought for developing them and expanding their field bases to include the governorates as the loyal guardians of this nation's security who can provide stability and peace of mind for our people. Instead of being confined to the capital, Sanaa, they are present in all the republic's governorates, areas, and borders. Military groups of elite security forces began graduating from their training centers, one group after another, Look at them today, opening their arms to this nation's youth, high school, and college graduates, to train and fully

prepare them militarily during their national defense service in accordance with that wise, blessed decision which has had good visible effects on our own children and our entire people and has broken the heavy psychological barrier between the people and their military and security forces. Yemen needs qualified people who work in silence, like the deputy interior minister, commander of the central security units and member of the permanent committee, who does not waver for one moment in developing public security and Central Security units which he commands personally to raise them to the ranks of modern security units and armed forces. He has introduced to these units palpable development from the standpoint of modern sophisticated weapons, the establishment of training centers and the drawing up of national plans to build up the central security force and train it at all scientific, military, athletic, and security levels. He has set up training centers in a large number of governorates which are turning out graduates from al-Hudaydah and Ta'izz, in addition to groups graduating from training centers in Sanaa and the rest of the governorates.

All this is the greatest proof of the colossal efforts the deputy interior minister, the commander of the central security units, and member of the permanent committee is making to strengthen and fortify the lairs of the central security lions and their daring personnel.

Moreover, the presence of Central Security units in all areas of the country is proof of the high level and great efficiency these units have attended. We, along with all the members of the armed and public security forces and the central units, salute you and express our respect and appreciation, wishing you success in realizing the noble goals of our immortal revolution under the leadership of Leader and President Lt Col 'Ali 'Abdallah Salih, president of the republic and commander-in-chief of the armed forces, who has led our people on the road of progress and development, has granted them honor and dignity and has united their armed and security forces, giving them unlimited support that has enabled them to achieve their present level of combat efficiency and modern armament, thus putting them in step with the modern armies of the world. So congratulations to our armed and security forces, the armor of the revolution, the fortress of the nation, and the protectors of the people.

12503/9190
CSO: 4404/236

YEMEN ARAB REPUBLIC

PRESIDENT STRESSES VITAL ROLE OF MILITARY SCHOOLS

Sanaa AL-RA'Y AL-'AMM in Arabic 23 Dec 85 pp 1, 5

[Excerpt: "President in Important Speech During Military Graduation Ceremonies: 'There Were Pressures to Shut Down Military Academies and Institutes'"]

[Text] The secretary general of the general people's conference, President and Leader 'Ali 'Abdallah Salih, attended the great graduation ceremony for a number of new groups from military schools and institutes. The president and leader gave an important patriotic speech in which he outlined the foundations for a comprehensive development process and dealt with a large number of issues and new developments in our Arab arena.

The president said:

'We, dear brothers, are implemnting all the decisions and plans that have been announced. On the 23rd anniversary of the glorious 26 September Revolution, we declared that the year 1985/86 was the year for training and educating cadres at all levels, at home and abroad. The rebuilding of schools and the establishment of institutes and training centers are but an effort to apply the slogan raised by the armed and security forces."

In his speech, the president touched on the past conditions of military schools and institutes, recalling those attempts and designs aimed at shutting down colleges following the shutting down of a large number of military schools and the pretext of having a sufficient number of armed forces and security officers. He reaffirmed that those attempts were aimed at finishing the armed and security forces.

The president went on to say: "However, thanks to sincere efforts and patriotic revolutionary elements within the armed and security forces and outside them, all these traitorous designs have been resisted. We have directed our attention to the reconstruction of the armed and security forces in a modern and scientific way in keeping with the givens of our time. Look at all the results of these efforts being felt by our people. Not one month or week passes without celebrating the graduation of new groups, be it at the level of the military schools and institutes or of cadres from combat units to bring the armed forces up to the desired standard."

The president emphasized that the building of the armed and security forces is a national necessity decreed by the progress and development our country is experiencing in all the various fields, pointing out that this national institute, which has made a compact with God and the country, will be the loyal guardian who will preserve the sovereignty and independence of the country, the principles of the revolution, and the freedoms of the masses, and will safeguard the democratic course our people are experiencing. He added that this institute will remain a symbol of obedience, comportment, and discipline, and a strong armor for the protection of the development process. It will also remain the school that teaches others discipline, obedience, and preservation of the public right.

12502/9190
CSO: 4404/236

AFGHANISTAN

JALALLABAD IRRIGATION COMPLEX 'ESSENTIAL' TO ECONOMY

Kabul HAQIQAT-E ENQELAB-E SAWR in Dari 19 Dec 85 pp 1, 3

[Text] The Irrigation Complex of Jalallabad is one of the important agricultural government sectors which plays a major role in the national economy of Afghanistan.

The valley of Nangarhar is the only subtropical region which is suitable for groves of olive and citrus fruits. In agriculture, which forms a major part of the national economy, it is necessary to have a healthy and regular organization in all the areas of agricultural production and its primary and higher production levels. With a view to this fact, all the affairs, particularly those of agricultural production, are carried out in a preplanned form in the Irrigation Complex of Jalallabad.

With due consideration to various climatic conditions in different regions of the Democratic Republic of Afghanistan, a different circumstance or situation prevails as far as agriculture is concerned. As a result of the existing mountainous region, arrid and dry deserts, a lack of sufficient water, proper use of mechanized agriculture and the prevalence of the old feudalist system, our agricultural production industry was faced with some problems.

Nearly, 90 percent of the population of this country is involved in agriculture. The statistics indicate that there are about 37.9 million hectares of land suitable for agriculture throughout the country. The total cultivable area for seed crops is about eight million hectares of which merely 3.9 million hectares are utilized annually and of the latter figure close to 2.6 million hectares are under the cultivation system of dry farming. The main reason for a lack of the agricultural sector's growth in the country was the prevalence of the old feudalist system. For instance, about 35,000 families held or owned 1.2 million hectares of cultivable land, that is 2.9 percent of the total population owned about 29 percent of the agricultural and farming lands throughout the nation.

In enhancing the irrigation situation, the Jalallabad Irrigation Complex has played a major role. The first phase of the construction of this complex, under the supervision of the Ministry of Public Works of the time, was completed in four years with the economic and technical assistance of the friendly nation of the USSR. This project consists of government mechanized agricultural farms, stock breeding, citrus fruits and olive groves and some forests. Certain areas have been assigned for the cultivation of wheat, barley, cereals, and vegetables, while some portion has been designated for reforestation and a few warehouses have been built for storing agricultural products.

The major part of the construction of the Irrigation Complex of Jalallabad, which irrigates 31,181 hectares of land, was completed in 1965 and became operational. It was in 1963, before the completion of work on this project that an agreement was signed between Afghanistan and the friendly country of the USSR and thereby the Soviet Union undertook to continue its technical assistance in 1963, 1964 and 1965. As a result of the above-stated agreement, four government farms were created on 10,000 hectares of land, and 24,000 hectares of land were prepared for cultivation. On July 28, 1965 the aforementioned agreement was revised by the friendly country of the USSR. Thereafter, on May 12, 1965 agreement number 8226 was signed in which the two government farms of Hadeh and Ghaziabad, with an initial area of 6,000 hectares of land which was increased to 17,900 hectares of irrigable land, were included in the said agreement. In 1965, both the construction workers and farm technicians began to work on the farm of Ghaziabad and extended their technical assistance to farmers in order to familiarize them with the use of agricultural machinery and equipment. Furthermore, they helped the farmers learn the effective method for fertilizer application, in enhancing or increasing the level of agricultural products, in raising and breeding animals and improving or increasing the output of milk-producing cows.

The construction of Hadeh farm began in 1346 [21 March 1967 - 20 March 1968]. The necessary building materials and farm machinery was brought from the friendly country of the USSR and work was started by the pertinent speialists from the Soviet Union. In the Irrigation Complex of Jalallabad particular attention was given to increasing farm products, creating citrus fruits and olive groves, and constructing cattle breeding and vegetable farms.

Before the construction of the Jalallabad Irrigation Complex, a suitable climatic condition did not exist for tree plantations in the the Nangarhar valley. Because of the existence of vast scorching deserts there were no trees on thousands and thousands of kilometers of land. Under such circumstances, there was no proper living and growing conditions for men, animals and plants on such vast deserts. For instance, because of a lack of water and prevalence of hot, dry and gusty winds thirty years ago there was not even a single tree in this region. Most of the land which had been cultivated by the farmers lost their product to these hot, dry and gusty winds.

In 1344 [21 March 1965 - 20 March 1966] plantation of 300,000 saplings was started. Thereafter, the project for plantation, training and multiplication or offshoot augmentation of citrus and olive trees began. There is a significant output from these citrus and olive groves. It was for this reason that 50 percent of the land was designated to subtropical plants.

According to the projected plan, at the present time there are 2,093 hectares of land designated to citrus fruit groves and 3,063 hectares to olive groves in the Jalallabad Irrigation Complex project. In 1344 an experimental citrus farm on 3,000 hectares of land was created and during the same year a hothouse

for experiments with vegetable seeds and seven arbors or shade-providing structures on 2,000 square meters of land was constructed in order to grow olive saplings. This was the first mechanized government farm in Afghanistan where domestic specialists began to work on the project.

The regular water channel of this project has a capacity to irrigate 31,000 hectares of land. At the present time, about 25,000 hectares are irrigated. Fourteen thousand hectares of this last figure belong to the private sector's land [that is, farmers and other land owners], and about 15,000 hectares of land belong to four mechanized farms which were built with the technical and economic assistance of the friendly nation of the USSR. We introduce each of these projects hereunder, separately.

Mechanized Farm of Hadeh

The construction work on the above-stated farm began in 1346 [21 March 1967 - 20 March 1968] and was finished in 1349 [21 March 1970 - 20 March 1971]. The total area of citrus and olive groves comprise 1,544 hectares of land of which 705 hectares belong to citrus groves and 839 hectares olive groves which are fully matured and bear fruit. There are 41 duplex residential homes equipped with all the necessary amenities in the aforementioned farm. Moreover, there are 47 apartment units, one club which has 50 beds for guests, a restaurant and a silo plant which has a capacity for making three tons of bread in a 24 hour period, a mosque, a hospital, a public bath and some sports facilities such as exercise fields, etc. Moreover, the aforesaid farm has an experimental farm for the purpose of carrying out experiments on sapling growth with a total area of 44 hectares of land which produces about 80,000 olive saplings and 80,000 of other types of olive-related or ornamental saplings to meet the needs of the project and the respected people of Nangarhar and other inhabitants of our dear country and they are sold at very reasonable prices to the people.

Government Mechanized Farm of Ghaziabad

The construction work on this farm with an area of 3,062 hectares of land began at the end of 1344 [20 February - 20 March 1966] and it was completed by 1346. The total area of olive and citrus fruit trees comprise 1,667 hectares of which 1,236 hectares belong to citrus and 431 hectares to olive groves which are all fully mature and bear fruit. There are 11 two-story residential buildings which house 24 families and 150 unmarried individuals, 64 residential homes are equipped with all the conveniences for 128 families, a restaurant, a movie house which seats 600, a silo plant which has the capacity to make three tons of bread in a 24-hour period, a hospital with 30 beds, a shcool for 700 students and some sports facilities. There are also cattle-breeding farm with equipped technical workshop and fruit sorting and packaging plant. The Ghaziabad farm has an experimental farm with 27 hectares of land which can produce 180,000 saplings of citrus fruits and 20,000 of other kinds of ornamental and olive-related saplings for sale to the honorable people of Nangarhar or other provinces of the country.

Government's No. 2 Mechanized Farm

The construction work on this farm with an area of 2,420 hectares began at the end of 1346 [20 February - 20 March 1968] and was completed by 1352 [21 March 1973 - 20 March 1974]. The total area of olive and citrus fruit groves of the above-stated farm is about 1,000 hectares of land of which 980 hectares belong to olive and 20 hectares to citrus fruit groves. From the total area of olive groves about 200 hectares have so far become fully mature and bear fruit. In the aforesaid farm there is residential housing for 47 families, a club, a health clinic, a fully equipped repair workshop and also a newly constructed school building for 300 students which will be officially inaugurated shortly in honor of the 20th anniversary of the project.

Govenment's No. 4 Mechanized Farm

The construction work on this farm with an area of 1,517 hectares of land began in 1352 and it was completed in the same year. The total area of olive and citrus fruit groves of this farm comprise 1,010 hectares of land of which 23 hectares belong to citrus fruit and 987 hectares of olive groves. Of the latter figure about 267 hectares of olive trees are completely mature and bear fruit. In the aforementioned farm there are residential units equipped with all the necessary amenities, a movie house which seats 400 and an equipped repair workshop.

At the present time, the total area of citrus fruits and olive groves of the Jalallabad Irrigation Complex is about 5,156 hectares of land of which 3,063 hectares belong to olive and another 2,093 hectares belong to citrus fruit groves. Furthermore, there is another 2,000 hectares of land which is used for the cultivation of wheat, barley or growing vetetables and other types of foodstuffs for the animal farms.

In helping to change our desert into plush green land and to successfully implement the projected plans side by side with the Afghan workers and other government employees, the specialists from the friendly government of the Soviet Union have played a noteworthy role in carrying out their international duties and honest tasks.

From the establishment of the project until 1364 [21 March 1985 - 20 March 1986] a total of 51,000 tons of citrus fruits and 12,000 tons of canned fruits and olives with a total value of $25,000 have been exported to the Soviet Union. From the 2,000 hectares of land, which is designated to the cultivation of seeds for fodder and various other vegetables, about 800-900 hectares have been assigned to the cultivation of improved crop seeds of wheat and barley, of which nearly 1,000 tons is annually delivered to the respected department of improved crop seeds so that it can be put at the disposal of the farmers at reasonable prices. To this end, during current year 1,000 tons of improved crop seeds will be delivered to the above-stated department which is still continuing deliveries. Usually, various types of crop seeds are cultivated in the aforementioned project.

In the remaining area other types of fodder such as clover, hay and oats are cultivated in order to make sure that fresh feed is provided for the animals. In addition to the fresh fodder, on a daily basis about 10-30 tons of cattle fodder is produced for the winter-time when there is no fresh feed available. Moreover, in the project sufficient area of land has been designated for growing vegetables such as potatoes, turnips, carrots, radishes, garlic, cucumbers, watermelon, tomatoes and eggplants, okra, marjoram, onions and other kinds of vegetables. The above-stated products are put at the disposal of friendship stores in order to make them available to the respected inhabitants of Jalal-labad at reasonable prices.

So as to make full use of the production capacity of the Jalallabad Canning Factory throughout the year the said factory cans a large quantity of vegetables with due consideration to quality and through the friendship stores makes them available for sale to other stores in Jalallabad and Kabul cities. For instance, so far in 1364 about 150,000 bottles of 0.65 litre of tomatoe joice, marjoram and other kinds of vegetables have been prepared which are ready for distribution and sale.

Despite complex and complicated political and military difficulties because of the comprehensive cooperation of the responsible government and party officials of the DRA of the Nangarhar Province as a result of defeating the counterrevolutionaries, as of the beginning of 1364 security has been restored to this region and positive and noteworthy changes have taken place. At present, unreserved and sweeping measures have been made to revive and restore all the citrus fruit and olive groves which had been destroyed as a result of the traitorous acts of the counterrevolutionaries. In all the government farms the project of restoration, revivification and construction of new olive and citrus fruit goves are underwary. In order to protect the plants and trees from harmful insects, various scientific methods of plant protection are being utilized.

Hereby, the employees of this project plege their words to the Central Committee of the PDPA, the Political Bureau of the PDPA Central Committee and to the dear person, the leader of the party and the people of our beloved country, comrade Babrak Karmal that they will not stop their sincere struggle and efforts to eliminate the existing shortcomings and insufficiencies until the last breath.

12719
CSO: 4665/29

BANGLADESH

PAPERS EXCHANGED ON JAPANESE GRANT FOR DEBT RELIEF

Dhaka THE NEW NATION in English 25 Feb 86 pp 1, 12

[Text]

Japan will provide Bangladesh with the grant assistance of 3.336 billion yen (approx. Tk 52.80 crore) as debt relief and construction of foodgrain store houses under two 'exchange of notes' signed between the two governments here yesterday, reports BSS.

Of the total grant assistance yen 2.80 billion (approx Tk.44.80 crore) will be available for debt relief to Bangladesh and yen 536 million (approx. Tk 8 crore) will be utilise for construction of food storage godowns at Boyra Khulna according to the External Resources Division here.

The exchange of notes were signed by Mr. M. Akhter Ali, Joint Secretary, ERD of the Finance Ministry, and the Japanese ambassador in Bangladesh, Mr. Yoshitomo Tanaka.

The Debt Relief Grant of Yen 2.80 billion will be utilized for procurement of various items agreed upon between the two Governments. The Grant assistance of Yen 536 million will be utilised for construction of food storage by dismantling the existing decrepit godowns at Boyra CSD, Khulna. The first phase of the construction of the proposed 35,000 M T capacity food storage godowns is expected to be completed by the end of March 1987. The remaining cost of the construction of F S Godowns is expected to be borne entirely out of Japanese Grant assistance.

Japan is, at present, largest bilateral donor to Bangladesh on the basis of annual aid flow. She has maintained a steady level of aid to Bangladesh and with the signing of these two 'Exchange of Notes' the total Grant assistance extended by Japan to Bangladesh will amount to Y 102.78 billion (approxmately Taka 1047.24 crores) since 1971. Japan has also extended loans to Bangladesh amounting to Y 264.005 billion (appx. Taka 2640.00 crores) since 1974.

/9274
CSO: 4600/1508

CONSULTATIVE COMMITTEE REVIEWS IMPORT OPERATIONS

Dhaka THE BANGLADESH OBSERVER in English 27 Feb 86 pp 1, 10

[Text] The import operations for the current fiscal year (1985-86) came up for a detailed review at the mid-year regular meeting of the Consultative Committee on import on Wednesday in Dhaka.

Representatives from various chambers noted with concern at the meeting that the import performance during the first seven months of the current fiscal year had recorded a substantial short fall due to procedural difficulties and non-availability of funds. They called for effective moves to arrange adequate funds wavie the provision relating to compulsory imports under barter first, enhance the entitlement for imports of industrial raw materials under cash allocation and ensure exchange-rate stability.

Inaugurating the meeting, Commerce Minister Kazi Zafar Ahmed said that the non-availability of funds in requisite quantum from external sources and also domestic resource constraints were responsible for sluggish import operations so far in fiscal 1985-86. He stated that the import during the first seven months of the current financial year was less than that of the corresponding period last year. He pointed out that the export markets registered a shrinkage, making it difficult to finance import activities out of the country's own export earnings.

The Minister told the meeting that the realisation of the targets and objectives of the import policy was necessary to ensure an accelerated pace of overall national economic development. He assured the members of the consultative committee that discrepancies, if any in the way of implementation of the import policy, would be removed Import operations, he pointed out are connected with industrial growth performance and expert promotion.

Addressing the meeting, Commerce Secretary Mr A. B. M. Golam Mostafa felt that the participants should reach a consensus on ways to help ensure better implementation of the import policy. He underlined the need for making sustained efforts to reduce the balance of trade gap.

Mr M. A. Kashem, President, Federation of Bangladesh Chambers of Commerce and Industry, said at the inaugural session of the meeting that the government should not give effect to any mid-year changes in the import policy after the same was announced at the beginning of the fiscal year. He suggested for formation of a representative committee to ensure fair distribution of goods like sugar and cement imported by Trading Corporation of Bangladesh (TCB). [Sentence as published]

/9274
CSO: 4600/1511

TEXT OF ERSHAD MESSAGE TO NEW PHILIPPINES PRESIDENT

Dhaka THE BANGLADESH OBSERVER in English 27 Feb 86 pp 1, 10

[Text] President Hussain Mohammad Ershad on Wednesday extended 'Heartiest congratulations' to Madame Corazon C. Aquino on her assumption of the presidence of the Republic of the Philippines reports BSS.

In a message of felicitations President Ershad said that he very much looked forward to working with her closely [words indistinct] to the mutual benefit of the two peoples.

The following is the text of the message of president Ershad. 'On behalf of the government and people of Bangladesh and on my own behalf I extend our heartiest congratulations to you on your assumption of the office of the President of the Republic of the Philippines following the recent elections.

I very much look forward to working with you closely for widening our bilateral cooperation to the mutual benefit of our two peoples. I trust that the friendship and understanding that so happily exist between the Philippines and Bangladesh will be further strengthened in the years to come.

'I take this opportunity to convey the warm greetings of the people of Bangladesh to the friendly people of the Philippines.

Kindly Accept Excellency my best wishes for your good health happiness long life and success in your high office'.

/9274
CSO: 4600/1511

DEPARTING AMBASSADOR MEETS WITH ALGERIAN PRESIDENT

Dhaka THE BANGLADESH OBSERVER in English 27 Feb 86 pp 1, 12

[Text]

Mr. Manzoor Ahmed Chowdhury, who was Bangladesh Ambassador to Algeria until recently was received in audience by Algerian President Chadli Benjedid at Algiers on the eve of his departure, according to a report received in Dhaka. Mr. Manzoor Ahmed Chowdhury has been removed from service under Martial Law Order No 9 He served as Bangladesh envoy to Algeria for only six months.

Algerian President who received Mr. Manzoor Ahmed Chowdhury in audience to bid him farewell said that the ambassador had contributed greatly to the improvement of Algeria-Bangladesh relations within this short period

The President expressed the hope that his successor would continue efforts in the same directions The President also said the ambassador would always be a wellcome visitor to Algeria He wished the Ambassador success and prosperity

Thanking the fund of goodwill and friendship between the people of Bangladesh and Algeria which was a strong foundation for brotherly ties between them the Algerian President hoped that the relations would continue to grow further

Mr Manzoor A Choudhury said that the people of Bangladesh would be honoured to welcome the Algerian President in their country

It may be mentioned that after several years of no trade between the two countries Ambassador Manzoor Choudhury during his six-month stay in Algeria had signed an agreement on January 19 last to export raw jute worth one million 80 thousand dollars from Bangladesh to Algeria after a long and hard negotiation

Earlier the former ambassador and Mrs Nafissa Chowdhury were given an official farewell dinner by the Secretary General Ministry of Foreign Affairs and Madame Hamdani which was attended by senior officials and their wives

/9274
CSO: 4600/1510

BRIEFS

MINISTER'S HOUSE STONED--A group of persons while returning from the grand rally of the 15-party Alliance demonstrated in front of the Dhanmondi residence of Anwar Zahid, State Minister for Information yesterday evening. They also threw stones at the Road No 3 (old) official residence of Mr Zahid. The stones damaged the window panes of the house. No other damage or injury to anyone was reported. The minister was at home during the incident. No arrest was made. [Text] [Dhaka THE NEW NATION in English 25 Feb 86 p 1] /9274

CSO: 4600/1509

IRAN

ARTICLE DETAILS SITUATION OF WOMEN

Kabul HAQIQAT-E ENQELAB-E SAWR in Dari 4 Jan 86

[Text] The domination of a dark despotic medieval era atmosphere over all walks of social life in our neighboring country of Iran has imposed harsh and agonizing living conditions on our friendly and brotherly nation. The effects of this torturous and despotic rule is particularly evident in the lives of the women. At a time when even the most reactionary imperialist circles of the world feel obligated to observe the principles and legal rights pertaining to women, the reactionary rulers of Iran are quite unconcerned and disregard the basic human rights and all international agreements regarding the proper observation of women's rights, and through the promulgation of backward rules and decrees, which are but remnants of the age of ignorance, have created an unbearable situation for Iranian women. The reactionary rulers of Iran, in imposing their backward and decadent thought on the lives of women, have gone so far as to deprive them of their simplest right, that is their right to choose what to wear. Without regard to their religion, ethnic background, their culture and tradition, they have imposed a special type of garment called "Islamic garb or veil" on women and have forced them to observe the rules. This is the kind of clothing which should be used even by very small girls. As a matter of fact, the Islamic garb is compulsory for children over four years of age.

These quasimilitary regulations are carried out in a very brutal and harsh manner. According to the ratified laws non-observance of the so-called Islamic veil or a mere piece of uncovered hair on a woman is considered an offense or misdemeanor which calls for flogging 74 times. In order to impose its backward views on women, the Iranian regime resorts to fascist methods. It organizes its thugs and hoodlums to patrol the streets in the name of the law and in defense of the religious initiators attack those women who have used the slightest make-up with razor blades and cut their cheeks and lips no matter if they are wearing Islamic garb or not. They even throw acid at the faces of women. These hoodlums and mercernaries ride around in special cars with strange labels such as "Patrol of Zahra'a sisters," "Guidance patrol," or "Patrol in charge of fighting religiously unlawful deeds" and arrest women and charge them with non-observance of the Islamic rules. They treat these women savagely and very contemptibly. They shave the hair of these arrested women and use scare tactics such as insects to frighten them. They flog them and there have been many cases when such women have been raped by the members of the Islamic revolution committes. As a result of the criminal acts of the agents of the regime until now several innocent women have either lost their mental balance and turned into lunatics or they have committed suicide.

According to the government circulars, which emphasize the observance of the Islamic garb, women have been deprived of basic mental peace and tranquility in the work place. For instance, en masse firing of women and depriving them of their social participation because of nonobservance of the imposed Islamic veil has become a kind of general and official policy of the regime. From the viewpoint of these unilluminated reactionary rulers, respect for the social stature and personality of women does not have any meaning at all. Officially, they promulgate such thoughts and ideas that degrade the stature of a woman and make her look like some half-witted and weaker creature. With each and every passing day they tend to further spread this thought that a woman is like a commodity for sale and nothing more and thereby they limit the social activity and participation of women.

The imposition of employment discriminations and imposition of limits on employment and educational opportunities for women, depriving and discouraging them from participating in sports and arts events are perfect examples of the policy of this reactionary regime which tends to make women stay home and act only as a housewife. For instance, in the work law of the regime, special guild rights of women such as relieving them of night shift work, disentitling them from jobs which require physical strength, curtailing their maternity leave, a lack of nurseries in the work place for women and depriving women from social security and other particular unionized organizations have all been completely disregarded.

The most ignominious act of the Iranian rulers regarding the social rights of women is the revivification of the primitive family laws pertaining to the precapitalists and feudalists' era. The legalization of several wives for a man and promulgation of contractual marriages [for a short period of time] by the leaders of the regime, both in deed and action have shaken the very foundation of the families in Iran and has fanned the flame of corruption and prostitution far and wide.

It is based on such out-dated views that Iranian women are deprived of all their political rights except that they can participate in elections and that is for a good reason, since as a deciding force and factor for consolidating the power of the government the rulers need such a resource for their own benefit. Not only do Iranian women do not have any right to partake in the destiny of Iran, but even if they make the slightest effort to acquire this very natural right or regain any other of their obvious rights they will most certainly have to face the harshest punishment by the judicial system of the regime. The despotic government of Iran does not differentiate between men or women when it comes to arresting, torturing or executing political activists. The Iranian prisons are full of women who are struggling for peace, democracy, independence and social justice. The criminal regime of Iran, in a matter of three years, namely from 1360 until 1363 [21 March 1981 - 20 March 1982 to 21 March 1984 - 20 March 1985] has executed more than 1,500 women. From among those who were sent to the gallows there were more than 26 teenage girls between 13-15 years of age, 20 pregnant women and 11 mothers and grandmothers between 50-70 years of age. Of the

total who were executed, 800 women were shot to death, 18 were hanged and 50 brave and courageous women were martyred under the torture of the regime's agents.

In the torture-chambers of the regime in addition to torturing the mothers to the point of death so as to force them to confess, the agents of the regime even torture the children of these mothers right in front of their eyes. They take away from the daily allowable food rations of the children and in winter time they do not provide enough clothing for the newly-born and as a result of seeing their mothers undergoing such excruciating and agonizing tortures, the children fall victims to mental disorders or derangements.

More or less all the news which leaks to the outside world from behind the prison walls of the Iranian regime indicate an imposition of immoral and inhuman torture of women which of course, all such filthy and odious acts take place supposedly under the pretext of religion or religious law. For instance, all the young and virgin girls who are sentenced to death, according to the laws of the religion which prohibits their death, are forced to marry one of the jailors the night before the execution. We have to add to all these criminal acts the bereavement of hundreds of thousands of Iranian mothers whose beloved children mercilessly fall victim to the war between Iran and Iraq.

Today, the progressive and developed world looks upon the painful and grievous fate of Iranian women with utmost grief and sympathy and it looks at all these crimes with anger and abhorrence, a kind of aversion and antipathy toward the reactionary leaders of Iran who have foolishly closed their eyes to the progressing and forward-looking movement of history and who have wasted the lives of hundreds of thousands of the martyrs of the Iranian revolution for their outdated, behind-the-times and reactionary thinking.

There is no doubt that our grieving and suffering Iranian sisters will never allow their destiny to be manipulated so tragically. At this moment, the very epics which they're creating throughout the country and in the prisons of the regime all attest to the validity of this fact. While we express our deepest sympathy and solidarity to the struggling Iranian women, hereby we announce our decisive support for their just and rightful struggles.

12719
CSO: 4665/30

IRAN

NEW GUIDE FOR IDENTIFICATION OF LANDLORDS OF PREVIOUS REGIME

Tehran KEYHAN in Persian 31 Jan 86 p 2

> [Text] The procedure was announced for investigating the bills of indictment and claims of all landowners for the identification of the refugees and those affiliated with the previous regime as well as those subject to the implemental law of Article 49 or those who make groundless claims.
>
> This directive was issued today to all prosecutors' offices and courts throughout the country based on the decisions of the Supreme Judicial Council by Ayatollah Musavi-Ardabili, the chief justice and head of the Supreme Judicial Council.
>
> In the name of the Almighty. Circular letter to justice departments and the independent prosecutor courts, revolution courts, judicial authorities and the central office.

Since it has been observed that following the submission of petitions and the investigations by the judicial authorities it becomes clear that the petitioner is a refugee, resides abroad, is affiliated with the previous regime or has ties with other groups which, as the fifth column, are engaged in spying and other activities in the interest of foreigners, or are in any other way subject to the current laws and regulations of the country and are subject to prosecution in the courts and by various judicial authorities, or that their property ownership is void or unclear, and because of the need to precisely implement the law for the implementation of Article 49 of the Constitution and other laws and regulations, for the protection of public property, the prevention of the use of the national resources to protect the interests of those who pursue personal greed without regard for the interests of the country and the revolution and a group who by making unfair claims engage in shaking the public morale and imposing pressure on our noble, patient people, in accordance with the ratification of the Supreme Judicial Council, the following issues are announced to the Justice Departments and the independent district courts.

A. Courts, their offices and the implemental offices are responsible for enforcing the following regulations with regard to punishable claims and evictions before the petition is accepted and during the investigation and the implementation as the case may be.

First, Before Accepting a Petition

First, the identity of the petitioner must be verified by checking birth certificates with photographs, the local mobilization booklet and employment identification cards and the documents must be checked against the personal data of the petitioner (name, surname, alias, title, father's name, present occupation, place of residence, address of residence, address of work place, matching the face with the photograph). Second, the court office must obtain the following information from the petitioner, record his statements, have him sign it, and attach the document to the bill of indictment.

1. Name, surname, alias and title, father's name, present occupation, precise address of the work place and telephone number, address of place of residence and telephone number, and the permanent address must be verified and the following documents acquired and attached to the bill of indictment.

Birth certificate, employment identification card or retirement document or trade permit or commercial permit, as would apply, local mobilization booklet, ownership deed of the home or the lease.

2. Occupation before the revolution in the private and public sectors.

3. Occupation after the revolution in the private and public sectors.

4. Does the petitioner have one of the titles mentioned in the law for the procedures of the implementation of Article 49 of the Constitution.

5. Has the petitioner been prosecuted in one of the revolution prosecutors' offices and courts? If the answer is affirmative, what were the results? What is the case number?

6. Is the petitioner involved in another legal or penal lawsuit under investigation or being carried out in any legal form? What are their numbers?

7. What is the number of concluded legal and penal cases in which the petitioner has been involved and which have been concluded in the past three years?

8. Was the land in question endowed? Was it part of the royal family's private property? Did it belong to the government or the city halls? If the answer is affirmative, what is the situation now?

Note 1

If the petitioner is an attorney, the client must apply in person and take steps in accordance with this circular letter. Regardless of whether the petitioner makes a principle or an unexpected claim, it will be subject to these regulations. Third, after taking steps, acquiring and registering the identity, filling out the forms, obtaining information and attaching it to the claim, the office of the court brings the case to the attention of the head of the Justice Department (in Tehran, to the director general of the public courts and in the independent arbitration court, to its director) and will record it in accordance with his instructions.

The head of the Justice Department will issue instructions for registering and processing the case with consideration for the content of the claim and its addendum, if the situation of the petitioner does not seem to be a case warranting investigation in the offices of the revolution prosecutors.

After registering the case and determining the time, a verified photocopy of the petition and attached documents and minutes, which are prepared at the expense of the petitioner, must be sent to the local revolution prosecutor's office for investigation and for steps to be taken for the implementation of the procedures in Article 49 of the Constitution ratified in 1363 [21 March 19**-20 March 19**]. The official time must also be announced and the opinion of that authority declared as to whether or not investigation and implementation of the ruling in the petition made are permissible.

Fourthly, if the revolution court announces that investigation and implementation of the ruling are permissible, in accordance with the regulation, the court will begin investigation or implementation.

If the response of the revolution prosecutor's office is not obtained within the official period determined, the court will continue its investigation and determine a time. If it receives the response in the course of the investigation or the implementation of the ruling, it will act in accordance with the content of this circular letter.

Fifth, if the situation of the petitioner seems categorically to be a matter for prosecution in the revolution prosecutor's office, it will be reported to the prosecutor's office without being referred to the branch and without a time being set after obtaining the information and completing the petition, in which case, the opinion of that authority will be announced and steps will be taken accordingly.

Second, In the Investigation Stage

1. The courts are responsible for notifying the petitioner in current legal cases that he should make a personal appearance at the office of the court for the purpose of identification, completion of the petition and the attachments, and declaring the information mentioned in Paragraph 1.

2. If the petitioner appears at the court, steps must be taken in accordance with Paragraph 1, otherwise the case must be filed.

3. If during the investigation, regardless of whether steps are taken in accordance with Paragraph 1 or Paragraph 2, the revolution prosecutor's office issues a ruling to freeze, secure, repossess or confiscate the property in question or the property of the petitioner, the court will act in accordance with the opinion announced by the prosecutor's office. Such letters must be signed by the prosecutor and have the official seal of the local revolution prosecutor's office.

Third, in the Implemental Stage

1. The courts, offices and officials implementing the ruling are responsible for warning the adjudged party in regards to implemental cases, regardless of whether or not the ruling and the implementation have taken place, to appear at the implementation office to be identified, complete the petition and provide the information mentioned in Paragraph 1. If the party fails to appear, the case will be filed until the adjudged party makes an appearance.

2. Should the adjudged party appear, steps must be taken in accordance with Paragraph 1, if a declaration is made by the prosecutor's office, and the implementation of the ruling must be avoided until the final response is received. If there is no objection, the ruling must be announced and implemented.

B. The revolution prosecutor's offices are responsible for providing an immediate response upon receipt of the notification of the offices of the courts and implemental office if, considering the information reflected in the petition and its attachments and existing records in the prosecutor's office, they do not categorically find the case to be one for investigation by those authorities. If the case can be investigated, steps must be taken and the results must be announced to the courts. Prosecutors' offices must try to promptly send the proper response within a determined official time to the office of the court.

C. These regulations can be implemented as long as the law for the procedures for the implementation of Article 49 of the Constitution ratified by the Majlis is being implemented.

Head of the Supreme Judicial Council, Musavi-Ardabili

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CSO: 4640/210

MINISTER ANNOUNCES NEW POLICIES ON INDUSTRY GROWTH

Tehran KEYHAN in Persian 8 Jan 86 p 23

[Text] Economic Service--Engineer Qolam Reza Shafei, minister of industries in an interview with mass media correspondents discussed the new policies of the Ministry of Industries as regards the reduction of organizational man power, new changes on the level of deputy-ministers' posts, the method to combat the problems concerning the issue of scarcity of foreign exchange for various plants [factories] and power cutoffs, entrusting the provincial head offices with new authority and the matter of production reduction.

Furthermore, according to the KEYHAN's economic correspondent, the minister of industries also discussed his own views regarding the creation of new production units, the increase in the non-oil export items, the general public's participation in creating new job opportunities and resolving the issue of the unresolved proprietorship of some industrial units.

First, the minister of industries stated: In 1353 [21 March 1974 - 20 March 1975] the Ministry of Industries and Mines was separated from the Ministry of Economy and Finance and after the victory of the revolution, this ministry became the custodian or care-taker of the industries and mines of the country, independently.

After the victory of the Islamic revolution many of the private industrial units became nationalized and thus increased the volume of the work load of this ministry, while at the same time the direction of care and concern for the mines and industries of the country received more attention. With due consideration to this thought the issue of forming the Ministry of Mines and Metals was contemplated and thereafter was ratified.

Afterwards, the issue of creating the Ministry of Heavy Industries was studied and the Islamic Consultative Assembly announced the independence of the said ministry. Subsequently, the post of deputy minister of industrial affairs of the Ministry of Industries and Mines pertaining to the period before the revolution was upgraded to the two ministries of heavy industries and that of industries.

Although this situation had some advantages and the various departments of the ministry were in a position to have direct contact with the people, yet at the same time it created some disadvantages of which one can cite a proper lack of

coordination between various branches of the ministry. In the former organizational chart there were 14 deputies or more precisely, 11 deputies and three counselors, each responsible for one of the following affairs such as deputies of specialized industries, whether it be chemical, nutrition, lump sugar, metal, textiles, leather, mineral non-metallic cellulose, electricity and electronics, and each one of these were composed of several other related groups which in reality had to coordinate their work with the deputy of the ministry. For instance, the deputy in charge of programming and planning had to organize his relevant group to go about programming and planning and they would in turn carry out the task and would put it into action. On the other hand, since the deputy who was in charge of planning and programming was a care-taker or custodian, he would deem it quite plausible to carry out whatever planning or programming he would see fit, and this was true with all the other above-stated deputies who presumed that they had the same authority and as a consequence there was always a clash of responsibilities. The final result was a lack of proper information or accurate statistics and since there was no adequate information, proper planning could not be done, because the first step in programming and planning is dependent on accurate information and statistics. Moreover, the statistics which were gathered by various branches usually were at variance with those available to the deputies in question, and I personally have noticed this deficiency both before the advent of the revolution and during my incumbency in this ministry.

The second issue was that the former organizational chart had blatantly increased bureaucracy in the ministry. For example, here I'll point out the statistics of the total number of letters which were received or sent out by the ministry during the past few years. In 1359 [21 March 1980 - 20 March 1981] only 77,000 letters were received by the ministry while this figure in 1360 [21 March 1981 - 20 March 1982] reached 93,000 letters. Likewise, in 1361 [21 March 1982 - 20 March 1983] the number further increased to 136,000 letters and in 1362 [21 March 1983 - 20 March 1984] it reached nearly 170,000 letters while in the first six months of the year 1363 [21 March 1984 - 20 March 1985] the figure stood at 80,000 letters and in the second half of the same year reached 100,000 letters and similarly, for the first half of the year 1364 [21 March 1985 - 20 March 1986] this figure reached nearly 83,000 letters.

Thus we notice the ever-increasing bureaucracy in the Ministry of Industries. Here, I mention the number of letters which were issued by the ministry. For instance, in 1359 the figure stood at 64,000 letters, in 1360 the number rose to 74,000 letters, in 1361 it was 116,000 letters, while in 1362 the figure reached 137,000 letters and in the first half of 1363 about 76,000 letters and in the second half of the same year 80,000 letters and finally in the first half of the year 1364 a total of 64,000 letters were issued by the ministry. Principally, we notice that after the victory of the revolution bureaucracy has kept growing in this ministry and part of the problem has to be sought in the organizational chart.

Therefore, one of our most important goals is a substantial change in the organizational chart of the ministry. Our second important task is to decrease

the heavy burden of the bureaucracy in this ministry by eliminating the unnecessary or redundant number of applications which are being forwarded to this ministry.

Here, I would like to mention the fact that in the new organizational chart we have not been able to completely cut off this connection, however we've been able to reduce the clash of responsibilities quite appreciably.

What we did was to change the seven specialized deputy-minister positions into one specialized industrial deputyship and in reality curtailed the seven unnecessary application of the provincial director general to seven various deputies to one deputy, and I think that this measure will be effective and beneficial in creating further coordination between Tehran and other provinces.

Thereafter, we have employed other changes on the level of the deputy-ministers as follows:

- The industrial utilization deputy minister office under the supervision of Engineer Rahim Kolahduz, including the main departments of chemical and celluloid industries, metallurgical industries, textile industries, mineral and nonmineral industries, pharmaceutical, electricity and electronics industries.

- The plan and program deputy minister office, under the supervision of Engineer Ahmad Ahmadi including the office of industrial planning, the office for investigation of industrial plans and the office of statistics and statistical investigations.

- The research and training deputy minister office, under the supervision of Dr Ali Asghar Towfiq, including the office of Industrial Research and that of Training.

- The parliamentary and provincial deputy office under the supervision of Engineer Mohammad Ali Zaker including the Legal and Parliamentary Affairs Office and the Office for the Coordination of Provincial Affairs.

- The economic and commercial deputy minister office under the supervision of Engineer Abolqasem Jamshidi, including the office for economic investigations, the office for commercial affairs and that of international affairs office.

- The administrative and financial deputy minister office under the supervision of Engineer Ahmad Hoseyni, including the administrative, financial affairs and budgetary offices.

Furthermore, in the new organizational chart we have three counselors for the minister who are entrusted to Messieurs Mar'ashi, Ali Danesh Monfared and Sheykh Atar, of which our brother Sheykh Atar is in charge of the position of the minister counselor and the war staff secretary of the Ministry of Industries.

As regards the new authorization of the provinces according to the new organizational chart, the minister of industries stated: We are trying to involve the

provinces as much as possible and reduce centralization of the affairs in the ministry. To this end, we have issued a circular pertaining to the areas of programming, planning, economics and commerce and turned over control of such affairs to the provinces.

Similarly, we've divided production activities into two sections, one regional and another pertaining to national projects which in turn will be divided into foreign exchange and non-foreign exchange industries.

For those industries which require foreign exchange, we've authorized the provincial departments to go ahead and issue the necessary principal agreements without a need to make the applicants travel to Tehran for such business. Therefore, after proper ratification, of the proposed plan of each province through the planning and programming deputy minister's office, the principal agreements for those commodities which require foreign exchange will duly be issued by the relevant provincial department's of industries.

In the meantime, the provinces will also be authorized to issue the necessary foreign exchange agreements within the framework of the proposed program which in turn will be approved by the planning and programming deputy minister's office.

Likewise, the provincial agreements pertaining to the establishment of national production units will be issued directly by the Ministry of Industries.

The issuance of permits for utilization or for establishing production units will be the responsibility of the source of principal agreement issuer.

Similarly, in the area of commerce and economy I must say that the provincial department's of industries can according to the import and export regulations issue the proper authorization for the import of raw materials and spare parts without having to transfer the foreign currency pertaining to the production units which are located in the provinces.

Furthermore, according to the rules and regulations, provincial departments can authorize the release of the raw materials and spare parts from customs for production units located in the provinces.

Moreover, we have prepared a list which will be published in the near future and according to that the provinces will be authorized to export 146 exportable non-foreign exchange items.

As regards government problems and issues pertaining to the creation of new employment opportunities, Engineer Shafei stated: The rate of population growth in our country is 3.1 percent which means that in five or six years we will have six to seven million more population and our government cannot remain indifferent either to the increase in population or the need to create jobs for the new work force.

Although our ministry is not directly involved in taking care of this problem, yet in an indirect manner it becomes involved. For instance, during the last few years we have issued about 16,000 principal agreements which could in turn create 250,000 new jobs in a direct way while at the same time it could create a large number of employment opportunities in an indirect way. If for the sake of argument we create only four million jobs for the seven million population growth and suppose that out of this four million, two million will be absorbed by the agricultural and service sectors, two million will be absorbed by the industrial units and out of these two million only one million job opportunities must be created by the Ministry of Industries alone. Now, with due consideration to the fact that 16,000 principal agreements can only create 250,000 new jobs, we can vividly see the inadequacy of this fraction in comparison to the one million figure and we have got to take some appropriate measures accordingly.

The creation of new jobs requires two kinds of investments both in rials and in foreign currency. We come in contact with many situations for non-foreign exchange capital investments and we have even authorized our provinces to export goods and commodities to one another. For example, lime and plaster of Paris can be exported from the province of Semnan to other provinces. Through this process with proper programming and investment it is possible to set up new plants and create many job opportunities.

Now, the question is that in order to create jobs for one million individuals we will need on the average 500,000 tomans of capital investment for each person and then we will require about 500 billion rials for investment which can be acquired in several ways:

Through government sector--Where the government is not very interested in putting up capital investment in the sector of the Ministry of Industry.

Through other organizations such as the National Iranian Industries Organization and the Bank of Industry and Mines--although they have so far made some efforts, yet it is not adequate.

Another solution is the utilization of general investments of the public which in itself is composed of several areas: Cooperative companies, general joint-stock companies and investment by the private sector.

If you take a look at the statistics of the principal agreements, you will see that we have had about 80 billion tomans of investment credit for 18,000 principal agreements of which about two millions were cancelled, thus it left us a fugure of about 70 billion tomans for the last seven years and part of that investment was actually carried out. This is in a case where we must have careated jobs for one million individuals, thus you will notice that this figure of 70 billion tomans is but a very insignificant part of the whole necessary investment.

On the other hand, the low-income individuals like you and me--a correspondent or a minister--will never to able to make investments individually, however if

we join our forces the possibility becomes much greater. Formation of such investment groups together with the individuals who can make five or ten million tomans investments in one larger cluster can create the huge capital necessary for the creation of the needed industries of the country which are all very vital.

Many of the people who are investing in our ministry are not thinking about creating new industries but are mostly looking for a fast return on their small capital investments--and I can tell that a large number of the principal agreements fall into this category--where the median investment is about five million tomans and with this kind of capital investment it is not possible to create industries in the country.

But if we can bring together the small investors and form a large investment company, then we will create the fundamental industries needed by the country.

Therefore, we suggest that people must not go after smaller individuals investments, but they should act according to the holy statement of the Koran which says people ought to truly cooperate together--and thus create general joint-stock companies--of course, such venture will need a custodian and banks can play that role very well.

I, personally suggest that all the banks with their huge financial resources take the initiative in the various industrial investments and instead of going after other smaller commercial business investments, extend loans or lend money with interest, etc... they should create general investing companies. For instance, the Bank of Indistry and Mines can help us in our cause. In creating cement plants, synthetic fibres industries, the pharmaceutical, rubber and tire raw materials if the participation of the general public is sought, we will be in a position to give priority to providing their necessary foreign exchange in such ventures.

As regards other fairly large investments in real estate and commerce or the creation of small industries such as plastic manufacturing plants, socks and stockings manufacturing plants, etc... I have to say that it would be much better that such needed investments be diverted to creating of large basic industries such as the 60,000-ton paper mill in Khuzestan.

After the issue of investment, the issue of current budget reduction should be considered. That is to say, it would not be correct to increase the current expenditures of the ministry for the purpose of creating new jobs. Or while the government spends more than 230 billion tomans on current expenditures annually, the development expenditures be kept under 100 billion tomans. This gap has to be eliminated. And one way to deal with this for the governmental ministries is to reduce their administrative personnel and instead man power should be directed more toward reconstructing the country, since one of the tools for reconstruction is man power and then equipment. If people put up the necessary rial investment we will similarly provide the needed foreign currency so as to resolve the problem.

Projects Created by the National Industries Organization

Thereafter, Engineer Shafei pointed to the projects which were set up by the National Industries Organization and also the Bank of Industry and Mines after the revolution and stated: Thirty six projects have been set up by the National Industries Organization of Iran such as the Narges Vegetable Shortening of Shiraz, the Industry and Cultivation of Arak, the Sugar, Cement and Spinning Plants of Khomeyn, one large textile plant in Rasht, Gharb Textile and Spinning Factory, Gilan's Carpet Plant, Tus Textile Plant, Iran's Carpet Factory, Nazpush, Khorrasan Textile Plant and so forth. Among these projects there are some quite large enterprises such as the Rey Cement Plant of which one 2000-ton unit with more than 1.2 billion tomans of capital investment was sold to Tehran's Cement Factory of which 40 percent of the plant belongs to the workers and we hope that in the matter of a few years they will be able to pay back their debt to the government through the sale of cement.

Such projects were begun mainly before the advent of the revolution. The program for investment and the amount of credits which have been absorbed by these projects after the victory of the revolution in the nine industrial and independent categories of the National Iranian Industries Organization comprise of the following: Food industries, one project; textile, three projects; celluloid industries, two projects; no projects in leather and shoe making industries; chemical industries, seven projects; pharmaceuticals, three projects; building construction, three projects; electric power and home appliances, three projects; and three cement projects for cement plants which gives us a total of 25 projects with a fixed capital investment of 65 billion rials.

Other projects which had been planned before the advent of the revolution are also included in the programming and planning of the National Iranian Industries Organization such as the Sepurex, Fars Faston, Tahrir Plaster of Paris, Brick and Limy Sand of Iranshahr which, God willing is going to be put into operation very soon.

On the other hand, the Bank of Industry and Mines has begun to make industrial investments and it has a total of 35 such projects under study with a capital investment of about 174 billion rials.

Specially Designated Foreign Exchange for the Ministry

As regards the amount of specially designated foreign currency for the ministry and other industrial priorities which pertain to its use, Engineer Shafei went on to say: The amount of specially designated foreign exchange belonging to the Ministry of Industries for the current year including the use of 20 percent of next year's foreign exchange which is extended as a loan will be about 2.5 billion dollars.

Considering this insufficient amount of available foreign exchange, our first priorities apply to such industries as cement, flour, vegetable shortening, paper, synthetic fibres which comprise the raw materials for 200 various plants

throughout the country and other industries such as Melamin [plastic manufacturing] industry is given 15 percent priority, refrigerator manufacturing industry 60 percent, black and white TV 80 percent, color TV 40 percent, machine-made carpet industry 25 percent and moquette industry 45 percent.

Regarding the issue of electric power cutoffs and its effects in various units and the ways and means of eliminating this inadequacy, Engineer Shafei stated: As a result of power cutoffs and inadequacy of foreign exchange, in comparison to previous years, the growth rate of various units of this ministry have decreased.

As regards the research programs of the said ministry he said: We intend to create a research town and so far its location has been duly planned and determined where various researchers can get together, set up the necessary test laboratories and continue their reasearch without outside interference. So far about 60 principal agreements for the creation of various laboratories have been issued and five of them have been able to acquire their research permit.

The president's Recommendations Regarding the Progress of Industries

Concerning his recent visit with the president and the reasons for the change of location of the office of the 5-member council implanted in the National Iranian Industries Organization, Engineer Shafei stated: According to our regular program we met with the president and had long discussions and he believed that there are some issues in the nation's industry which need to be resolved and thus create an opportunity for the growth of our industry. These would include:

- Industrial management.
- Wear and tear of machinery and a lack of timely replacements, and their proper maintenance.
- The quality of produced goods.
- The ownership of the plants and principally the industrial proprietorship.

As regards the issue of industrial management, I asked the president to do his best to insure the stability, permanence and the proper organization of management in the country.

Our next discussion pertained to the issue of wear and tear of machinery and maintenance about which I gave him some pertinent reports and here once again I emphatically repeat that our factories' machinery are undergoing their natural wear and tear and proper replacement is a must. Moreover, new plants geared to the new needs of the society ought to be created.

As regards the upkeep of the plants, the president made some statements and believed that if such plants were supervised by the owner of the unit in question they will be better mananged and run.

We, in turn believe that as far as possible the National Iranian Industries Organization and other nationalized units have done their best to protect such plants and do not consider that the president's statement is without merit.

The third point pertained to the quality of merchandise and we in turn told the president that in order to have good and top quality merchandise several factors such as management and devoted man power are necessary. And we stated that he instruct the Friday imams to discuss the matter of assiduousness and diligence in the work in their speeches.

The fourth point revolved around the 5-member council. Here I ought to mention that this council does not solely belong to the Ministry of Industries and we only compose one of the five members and whenever the issues pertaining to the Ministry of Industries are discussed, our representative will take part in the relevant session. With due consideration to the fact that the nature and substance of this council is mainly judicial and that two of the members are representatives from the judicial power and one other member represents the general prosecutor, this council was relocated to the office of the state chief prosecutor.

Mr Khamene'i emphasized that this 5-member council ought to be actively engaged in determining the fate of unresolved plant ownerships. I, personally agree with this statement and emphasize that the 5-member council must exist since it is the only lawful and legal source which can determine the fate of the unresolved proprietorship of industrial units. This lack of resolution for those production units is neither good for the treasury nor beneficial to the management system of our society. What is evident is that as soon as possible this issue has to be resolved and everyone has to accede or condescend to the decisions reached by the said council.

Search for New Ways to Earn Foreign Exchange

As regards the two issues of foreign exchange and electric power, Engineer Shafei stated: First, we seek the cooperation of all the experts in the two aforementioned areas, second we ought to start thinking about how many more years our industry can rely on our oil income and consider the fact that right now when we have an income from oil we are facing a foreign exchange deficiency and what will happen in the future when our oil runs out.

We would like to listen and seek people's views for new ways of earning foreign exchange. In this regard, during the past nine months we have earned over 70 million dollars in non-government foreign currency for the country. In addition, we have put about 40 million dollars of foreign exchange at the disposal of some of our production units to enable them to export their commodities and thus give them the ability to earn more foreign exchange in return. Of course, for the production of such goods we need raw materials from the Ministries of Petroleum, Heavy Industries and Mines and Metals to provide the three main items for our factories such as petrochemical and steel industry and machinery plants. If

we succeed in this area, with the enhancement of our product quality, we will be able to increase the growth of our exports and decrease the needed foreign exchange for our production units, gradually--such units as laundry detergent, television or Khazar sable industries.

Along with all these efforts Messieurs Khamene'i and Musavi are thinking about the formation of certain committees in charge of non-oil exports which, God willing, will help reduce some of our foreign exchange problems.

Furthermore, in the long-term we propose to the government and the Majlis to designate a substantial part of the oil income for capital investment, since after a few short years when our oil runs out we will have nothing else for export to earn us foreign exchange.

Methods for Preventing Power Cutoff Damages

In continuation, the minister of industries stated: Regarding the issue of electric power I have to add emphatically that we have severely endured some damages this year and to this end I propose:

- As in other industries, new investments should also continue to be made in the electric power industry from the oil revenues.

- The Ministry of Energy ought to allow the installation of secondary generators with lower output along the route of those plants which are the major consumers of electric power.

For instance, in the small towns or industrial districts each factory should pay a proportionate amount relative to its use of electric consumption, and thus after the collection of all these payment shares by all the relevant units of the district in question the necessary power plant can be bought and installed accordingly--such as the ones which are installed in and around Esfahan's Steel Works and that of Tehran's Polyacril.

To this end, we have had some discussions with Dr Banki, minister of energy, which are still continuing.

- Here we would like to make a request, that is at least to inform the plants in advance about the power cutoffs so they can prevent any probable ensuing damages. Furthermore, I propose that priority should be given to the provision of our industrial electric power rather than the service and commercial electric power or even that of household.

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IRAN

VOLUME OF TRADE WITH JAPAN INCREASING

Tehran KEYHAN in Persian 13 Jan 86 p 18

[Text] The parliamentary delegation of Japan visiting Iran headed by the policy-making committee of the Japanese parliament met with the minister of petroleum of our country yesterday. In this meeting, the decision was made to increase the volume of petroleum and non-petroleum trade between the two countries.

The volume of the purchases of oil by Japan from Iran increased significantly during the last three months of the Christian year, and, according to a report of the Ministry of Commerce and Industries of Japan, Iran exported 1.76 million kiloliters of crude oil in November 1985. Compared to November 1984, with the sale of significant amounts of oil to Japan, Iran gained the title of second supplier of oil to Japan. In the visit to Japan of the high-ranking Iranian delegation headed by Hojjat ol-Eslam Hashemi-Rafsanjani, the economic representative of Iran carried out negotiations in regards to the increase of trade between the two countries. In the course of this visit, some Japanese companies agreed to increase their economic relations, particularly the purchase of oil from Iran vis-a-vis the export of goods and economic cooperation. After returning from Japan, Hojjat ol-Eslam Rafsanjani announced: The visit of the Iranian delegation to Japan and China is the start of a new movement in our foreign policy and international relations. The effects of this visit on the economic relations between the two countries have been significant, as is evidenced these days in the volume of the purchases of oil by Japan from Iran. Japan is supposed to cooperate with Iran in the implementation of several industrial projects, including the transfer of technology for the manufacture of several kinds of vehicles.

In its meeting with the minister of petroleum, the parliamentary delegation from Japan which arrived in Tehran last Friday discussed the necessary steps for expanding economic relations between Iran and Japan, which were brought up following the visit of the speaker of the Majlis to Japan. It seems that if there are no significant problems in connection with the purchase of oil from Iran by the Japanese companies, in the future we can expect to witness the increased sale of Iranian oil to Japan. Informed sources announced the sale of Iranian oil to Japan during last December at about 500,000 barrels per day, which was a higher figure compared to the previous months.

It should be remembered that the Japanese import about 3.7 million barrels of crude oil per day, of which amount about 65 percent is procured from OPEC member countries. Also, as a primary source of energy, oil comprises about 37.1 percent of the total energy consumption of Japan.

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IRAN

CULTURAL, ECONOMIC COOPERATION WITH INDIA EXPANDING

Tehran KEYHAN in Persian 14 Jan 86 p 3

> [Text] India and Iran have decided to expand their cooperation in economic and cultural areas. According to the decisions of the delegations of both sides, both countries have decided to increase the variety of their trade and accordingly, they have signed a three-year agreement concerning cultural cooperation and the coordination of programs.

This agreement anticipates contact between educational centers, exchanges of cultural experts, and cooperation between radio and television. The director general of the Ministry of Foreign Affairs and the cultural deputy minister in the Ministry of Foreign Affairs of Iran signed the contract. Radio Delhi added: The joint India and Iran committee has identified more than 30 new items to be exported by India to Iran. Agreements have been made between the two countries to raise Indian exports from the present level of 1,350 million rupees to 4,500 million rupees next year.

Also, the industrial units will be built in joint areas in both countries.

India will help Iran build small industrial units. Addressing the reporters at Mehrabad Airport, the foreign minister of India said: The joint session of India and Iran will strengthen relations between the two countries. 'Ali Akbar Velayati also said: The recent agreement will create a new period of cooperation.

The Indian official expressed to the Iranian leaders the strong concern of India about the continuation of the war between Iran and Iraq, both of whom are members of the nonaligned movement and who have relations with India. He said: India hopes that peace will soon return to the region.

The foreign minister of India arrived at Dubai International Airport for a five-day visit to Kuwait, Bahrain and the United Arab Emirates last night.

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END

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Near East/South Asia Report

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REGIONAL AFFAIRS

STATUS OF MAGHREB ALLIANCES EXAMINED

London AL-TADAMUN in Arabic 8-14 Feb 86 p 12

[Article by Abu Bakr al-Sharif]

[Text] A critical question has arisen for a non-observer in Morocco attracted by the intense media coverage of the Algerian-Libyan summit held on 28 January 1986 in the village of 'Ayn al-Nas situated on the border between the two countries. The question is: Was the meeting that took place after a period of chilly Libyan-Algerian relations at the expense of the Sahara issue? The feeling that it is critical was based on many observations, perhaps the most important being that the country involved (Morocco) hastened to make clear that its blessing for the meeting was consistent with its declared regional and pan-Arab principles. Therefore, it sees nothing in it to stir fears about the present or future of its excellent relations with Libya.

The second reason for the anxiety caused by the question is the fact that in contrast to the foreign news agencies' treatment of the subject, and most of the Moroccan party newspapers agreed with it in this respect, the Libyan news agency (JANA) showed eagerness in its commentary on the summit talks to play solo on a sensitive string. The matter concerns Libya and Algeria calling for the unification of the countries of the Greater Maghreb and their regarding it as an essential condition in the service of Arab causes in unity and liberation. Moreover, the agency began its commentary by noting that Libya's main goal is to rally forces to confront the American threats and economic measures against it.

Nevertheless, the question still remains, due to the fact that the eddy and flow of relative explosions and fizzles which alternate from time to time in the relations between the countries of this region always occur under the aforesaid umbrella. This makes it incumbent upon the observer to look at the new developments with a little caution and a great deal of patience.

Moreover, the answer to such a question must pause a moment before the official reaction which avoided plunging into the matter except that there is a piece of news with more than a little proof reported by the Moroccan press and revealingly highlighted to the effect that Abdellatif Filali, Moroccan minister of foreign affairs, made a hasty visit to Tripoli several hours after the summit and Morocco was anxious to prevent disclosure of the minister's mission.

Libya, for its part, announced after Filali's visit there that a delegation consisting of 25 members of the General People's Congress headed by Mahmud Hijazi, the official in charge of the Libyan people's committees, will be going to Rabat to take part in the activities of the cultural affairs committee, which originated in the legislative unionist organization to complete its administrative structure. This indicates that the Arab-African Union was little affected by the summit.

Moroccan political councils looked upon the matter from a different angle. Among their observations is that the Algerian president focused in the announcement before he left Algiers for 'Ayn al-Nas on the idea that he was going on a visit of work and observation, exploring the reservoir of trust between the two countries without trying to shuffle the cards in the region, in the sense of the possibility of Libya abandoning its alliance with Moroccoon the Sahara question, which forms the red line for the positions of any of the parties to the dispute. Moreover, Moroccan circles observed that the statement issued by the Algerian authorities on the summit talks contradicted the similar one put out by the Libyan. Jamahiriyah, the Libyan news agency stated that the talks centered on the American threats against Libya and dealt with the Arab Maghreb from the standpoint that the solution to the Sahara problem is to be found within the framework of unity of the countries of the Arab Maghreb. This was at a time when the Algerian media were talking about the conviction of both sides that satisfaction of the right of the people of the Western Sahara for self-determination and independence is a definite factor in building the structure of the Arab Maghreb. The differences between the expressions used by all the parties at the summit should be noted here. The Moroccan circles regarded them as proof that they had not budged at any level. All the Moroccan newspapers discussed the matter. AL-'ALAM, organ of the Istiqlal Party, observed that the talks did not go beyond the confines of the Arab-African Union. As for the newspaper AL-ITTIHAD AL-ISHTIRAKI, organ of the opposition party of the same name, it showed interest in the issue and proceeded to publish news of the summit while displaying caution over the steps toward rapprochement taken by Libya and Algeria and mentioning what it characterized as the failures which it faced making its birth difficult!

If this excessive concern confirms the Moroccans' fears of a possible setback in friendly relations with the Jamahiriyah, the week that followed the summit confirmed that the Jamahiriyah is eager to reassure the Moroccan circles that clearing the air with Algeria will not be at the expense of the bases on which the Arab-African Union rests.

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ALGERIA

LIGHT INDUSTRIES MINISTER CITES IMPORTANCE OF PRIVATE SECTOR

Algiers EL MOUDJAHID in French 5 Feb 86 p 3

[Article by S. Lamari; first paragraph is EL MOUDJAHID introduction]

[Text] Mr Zitouni: "The private sector will be encouraged to work for the development of productive activities, whether in small or medium industry, to strengthen the industrial fabric, or in agriculture, to contribute to the goal of self-sufficiency in food."

National private economic investment is the theme of the seminar which opened yesterday under the sponsorship of the wilaya of El Oued. This meeting, the first of its kind, which brings together some 400 participants representing several ministries, national enterprises, study bureaus and private entrepreneurs, has as its goal the in-depth study of the means to be used to bring to reality the nation's policy of national private economic investment. Those attending the seminar will thus have 2 days in which to discuss nine papers on various subjects, such as the private sector in small and medium industry, in the areas of steel construction and industrial subcontracting and in the regional picture,and the current situation of and future prospects for private national investment.

Messaoudi Zitouni, a member of the Central Committee and minister of light industries, presided at the opening session, which was also attended by Zine Eddine Sekfali, vice minister for tourism, and the governors of Tozeur and Kebili.

In his lengthy opening speech, the minister of light industries immediately defined the role and place of the national private sector in our economic development. In this regard he said, in substance, that the National Charter adopted overwhelmingly by the people has clarified the role and defined the place of the national private sector in the overall economic strategy of the country, while at the same time integrating it into the national planning.

In this respect he stated that "the private sector will be encouraged to work for the development of productive activities, whether in small or medium industry, to strengthen the industrial fabric, or in agriculture, to contribute to the realization of the goal of self-sufficiency in food."

He again emphasized the need to ensure a rigorous orientation of that sector toward organizing its infrastructure and control system, so that it may avoid situations such as occurred in the past for the sector, which developed outside the planning framework in confusion and anarchy, ignoring quality and the satisfaction of the real needs of the people, placing itself in speculative situations and taking immediate profits without making any real economic contribution to the country.

The minister then discussed in detail the path of development of this sector in the light industries. He emphasized that this sector should enlarge its field of operation to include that dominated by the food and textile branches by investing in a second generation of PMI [small and medium industries], which are needed at the present time and required, in addition, by the dynamics of industrial development itself in the branches which will be further oriented toward industrial integration and subcontracting.

Then he emphasized that his ministerial department, which covers 70 percent of the industrial activities carried on by the private sector, will be available to assist this sector in the organization and formation of units as well as in training.

Mr Zitouni closed his speech by indicating that "all the political, economic, legal and material conditions having been met, it remains for the will of men to bring to reality the development of the national private sector so that it may participate concretely in the struggle to build the nation." Finally, he exhorted private investors "to enlist resolutely in this program, now that the rules of the game are well established for both sides, by pledging, for their part, to serve their country with a view to contributing to the building of a strong and prosperous Algeria."

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EGYPT

ELECTRICITY MINISTER DISCUSSES ENERGY PROBLEMS

Cairo AL-JUMHURIYAH in Arabic 23 Jan 86 p 2

[Interview with Engineer Mahir Abazah, minister of electricity and energy, by Faruq 'Abd-al-'Aziz and Jamal Kamal: "Minister of Electricity Warns: We Are at Threshold of Energy Crisis; Raising Prices for Well-to-do Is Ultimatum; Some Individuals in Egypt Consume 10 Times What U.S. Consumer Consumes"]

[Text] Some consider him the key to development and to increased production and a guide to civilization and culture. All know him and some complain about him at times when their homes go dark and he complains about everybody he meets. He is Engr Mahir Abazah, the minister of electricity and energy, who has maintained his post of 7 years under Prime Ministers Dr Fu'ad Muhyi-al-Din, Kamal Hasan 'Ali, and 'Ali Lutfi. He has always been in the defendant's box when thinking of rationalizing consumption, of building nuclear plants, or of raising electricity prices. Despite this, he does not change his mind easily and he believes that he is always right because he is aware of his capabilities and resources. We had the following interview with him:

[Question] President Mubarak met with the Higher Energy Council twice within a few days. What do these meetings mean?

[Answer] The fact is that President Mubarak's meeting with the Higher Energy Council is a new tradition he has adopted to discuss the progress of the 5-year energy plan, considering that Egypt's new strategy to increase agricultural and industrial production relies on energy and electricity. This is why the president has been eager to follow up on the electricity projects, on the power plants, be they electrical, thermal, or hydraulic plants, on the new forms of energy generated by coal, solar energy, and wind, on the financing of electricity projects, and on the loans and the means to repay them.

[Question] Does this mean that Egypt does not now have an energy crisis and will not have such a crisis in the coming years?

[Answer] Let us talk very frankly about the energy issue, since it is the key to increasing production. At present--this year, to be specific--we have no energy crisis and the electricity we generate is fully adequate

for the industrial and agricultural projects and for the plan to raise production. The total thermal and hydraulic electricity generated amounts to 6,300 megawatt/hours whereas Egypt's current needs amount to 5,200 megawatt/hours. This means that we had by the end of last year a surplus of energy amounting to 1,100 megawatts. However, this does not mean that we do not have a potential energy crisis. In 1984, we experienced a daily shortage of 400 megawatts below what was needed. Egypt's needs by the year 2000 will amount to 100 billion kilowatts whereas the production will not be able to meet those needs. I am aware of the seriousness of the situation as of this moment, especially since electricity is a commodity that cannot be imported.

[Question] Could you be clearer and more specific? The government constantly stresses that we are at the threshold of an energy crisis while embarking on the Second 5-year Plan.

Billions of Dollars a Year

[Answer] I will be more specific. The above statements do not mean that we are not facing an energy crisis. I emphasize as of this moment that we are at the threshold of a major energy crisis caused, to be specific, by increased consumption. In 1952, our total energy consumption amounted to 500 million kilowatts only, rising in 1981 to nearly 17 billion kilowatts and by the end of 1985 to more than 40 billion kilowatts. The danger here lies not in increased electricity consumption but in increased electricity consumption for home use. This consumption amounted to 45 percent of the total energy generated in Egypt while we find that this consumption does not exceed 10 percent in India and China and 15 percent in the advanced countries. What is more serious is that home consumption grows by 15 percent a year in Egypt. By simple calculation, we find that we need $1 billion a year just to meet the growth in home consumption. Is there a bigger crisis than to have the state try to secure $1 billion a year for electricity only? We have a criterion for determining whether there is or there is not a crisis, namely the ratio of production to consumption. In Egypt, the consumption to production ratio amounts to 2 to 1 whereas in Japan it amounts to 5 to 10, in Europe to 6 to 10, and in South Korea and China to 1 to 1.

[Question] Do you think that the reason for increased consumption is misuse, population growth, or the spread of electrical appliances?

Cancerous Consumption

[Answer] The fact is that the three factors have contributed to the cancerous consumption of electricity, though by varying degrees. Population growth is responsible for a small percentage whereas the purchase of appliances, coupled with misuse, is what is behind this catastrophe. Emigration from Egypt to the outside world, emigration from the countryside to the urban areas, and the growth of incomes have been coupled with a very serious consumption tendency [illegible]t is surprising is that the state subsidizes some electrical appliance

Every home in Egypt has more than two television sets, two washing machines, a refrigerator, and a video recorder. This amounts to extremely extravagant consumption. In Egypt, some citizens consume 8,000 kilowatts a month. The meters are checked and the bills say this. This means that such a citizen has more than 20 electrical appliances in his home. It is a strange logic. The average consumption of the well-to-do U.S. citizen amounts to 10,000 kilowatts a year whereas in Egypt it amounts to 100,000 kilowatts. The more surprising logic is that extravagant consumption in Egypt has reached the point where people buy a dryer for 1,000 pounds to dry the laundry. In the rural areas, the situation has even reached the point where some people buy heaters and milk-shaking equipment to produce cream. This is unreasonable. The countryside is using electricity for everything and 10 million tons of fuel consisting of firewood and stalks are thrown away.

The educational level plays a fundamental role in electricity consumption. India does not supply electricity to the homes of the uneducated. Electricity is supplied for production equipment only. We will not do this but only ask that the electricity resources be preserved and that a full opportunity be given to increasing production.

[Question] Does this mean that the Ministry of Electricity has not taken steps to rationalize consumption?

Consumption Rationalization Measures

[Answers] The fact is that more than one approach has been employed abroad to reduce consumption. In South Korea, the consumption to production ratio amounted to 2.5 to 1. South Korea took a number of compulsory steps in the wake of which the consumption to production ratio has dropped to one to one. We rejected this logic from the outset and took two steps: first, increasing the price of electricity to the well-to-do who consume more than 1,000 kilowatt/hours a month. These represent 0.2 percent of the total number of consumers. The second step was to rationalize consumption in government and state-owned factories and in street lighting. The consumption of the government agencies and of the public-sector offices has dropped by 25 percent and this leads to saving 200 million kilowatt/hours a year. This is the equivalent of savings of 60,000 tons in diesel fuel costing nearly $9 million. Rationalizing street lighting saves 285 million kilowatt/hours a year. This is the equivalent of saving 85,000 tons of diesel fuel costing nearly $12 million. In fact, most of the government agencies and a number of governorates have responded to our steps. On its part, the ministry is prepared to supply electronic street-lighting equipment. Ultimately, consumption rationalization and reduction depends on the consumers and on the degree of their awareness of the energy problem in Egypt. Cairo alone consumes 3 billion kilowatt/hours a year, amounting to 12 percent of the total energy generated in Egypt. We are required to do something to rationalize consumption and to try to reduce the ratio in the coming 5-year plan to five to four.

Ultimatum to Capable

[Question] If the problem is this serious, then why have we not raised the price to the capable so that it may match the cost price, provided that this price is applied to clinics and consultation and investment companies?

[Answer] I would like to point out from the outset that the cost of a kilowatt of electricity in Egypt is 12 piasters. A kilowatt used to be sold in Egypt in 1945 for 35 mils [3.5 piasters]. From 1952 until a few months ago, a kilowatt was sold for 18 mils. We have raised the price on the basis of segments, beginning with 1,000 kilowatts and rising gradually to reach 49 mils per kilowatt. This is not the end of the road for the well-to-do. We only meant to give them an ultimatum to rationalize their consumption, or else we would again raise the price for the capable only.

Truth in Electricity Price

[Question] Despite your assertion that the price of electricity has not risen, the electricity bills show that it has. Is this due to a crisis in meter readers or due to the collection system?

[Answer] As I have already said, the price of electricity has not been raised for all consumers. The problem lies in the system of meter readers and of collection. We have in Egypt 3,500 meter readers for 8 million subscribers. Cairo alone has 900 readers. The problem is that either the reader is dishonest, and we have in fact expelled 20 such readers after checking on them, or that the reader is honest but cannot get hold of the subscriber because meter readers are not allowed to work after 1500. Consequently, the reader determines an average for each apartment. This may be repeated for 6 months. At the end of the year, the subscriber is surprised with the actual sum demanded of him. Consequently, he thinks that the price has risen. This is why the ministry is now studying a modification of the reading system by installing outside the apartment a glass pane connected with the meter so that the reader may be able to check without entering the apartment.

[Question] It is said that the Ministry of Electricity is billing subscribers according to the electrical appliances they have.

[Answer] This is not true. The ministry has simply drawn up scientific estimates to enlighten the consumers so that they may know their average consumption. We have pointed out that running an air conditioner for a period of 6 hours a day costs the subscriber 18 pounds a month, that a heater with a capacity of 50 liters costs the subscriber 7 pounds a month if it is turned on for 3 hours a day, that an electric oven with 2 elements costs the subscriber 24 pounds a month if it is used 4 hours a day, that an oil heater costs the subscriber 22 pounds a month in case it is turned on for 6 hours a day, and that a television set costs him 1 pound a month if it is turned on for 6 hours a day.

Energy Alternative Under Study

[Question] We have been talking for 20 years about energy alternatives. So far, we have not taken advantage of the studies at our disposal.

[Answer] We have, in fact, begun to transform the studies into a reality by establishing the Public Authority of New and Renewable Energy through a grant from the EEC so that this authority may explore solar and wind energy, bio-gas, and the salt lakes and to manufacture cells and reflecting mirrors in Egypt so as to achieve an economic price and a definite result from alternative energy, especially since a watt of electricity generated by a thermal plant costs $0.80 when generated from coal, $1 when generated by a nuclear plant, $1.50 when generated from the sun, and $10 dollars [presumably part of the sentence dropped]. This is why we have begun building the first cost-operated plants in al-Kuraymat, south of al-Jizah, in 'Uyun Musa in Sinai, and in Sidi Karir, west of Alexandria. Each will have a capacity of 1,200 megawatts a year and will need 10 million tons of coal a year. We have also begun using solar energy for heating by manufacturing 10,000 solar heaters a year to be used in the new cities.

[Question] We have been hearing for years debates on nuclear plants. Have we developed full visualization on these plants?

[Answer] We have nearly developed a complete visualization on the use of nuclear plants. We presently have international bids from the United States, France, and Germany and we will soon decide which of these bids is the best. However, I wish to point out that the use of nuclear plants will be the last option for generating energy. The Ministry of Electricity believes that our energy needs in the year 2000 will amount to 100 billion megawatts. We will rely first on hydraulic, then on oil, gas, and coal plants and, finally, on nuclear plants, which will be used according to the production conditions. If the oil allocated for electricity increases or if we discover new coal and oil fields, then this will have an impact on the use of the nuclear plants to be built. I stress that nuclear plants will be used only to meet the shortfall in the energy needed.

[Question] No full visualization has yet been developed for disposing of nuclear waste.

[Answer] We have at our disposal the experience of numerous countries in disposing of low-level, medium-level, and high-level nuclear waste. High-level nuclear waste is what creates the problem. France, for example, fills its waste in glass containers, which are heated to a temperature of 1,500 degrees and stored for life. The Egyptian option is for the method currently in use in Sweden whereby waste is filled into vessels placed under a water pool for 20 years and then placed under a concrete cover with some ventilators where they stay forever without causing any danger.

[Question] It is said that the Ministry of Electricity is suffering from the problem of securing remittances and appropriations for the already existing plants and for the future projects. How true is this?

[Answer] Of course, the smallest project we have costs a billion dollars. We in Egypt cannot provide such an appropriation at once and are compelled to turn to the World Bank, to the Americans, or to the French. Despite this, no single party can finance a project. More than 30 banks and countries have participated in financing Shubra al-Khaymah plant. The lack of appropriations is a general problem in the state because of the shortage of hard currency.

[Question] On the occasion, it has been reported that Shubra al-Khaymah plant came to a halt after it was inaugurated. What is the truth?

[Answer] It did not come to a halt. At the outset, only the first unit was put into production and it continued to operate until the second unit was put into production. However, Americans asked that both units undergo complete maintenance for a period of 1 month before they were introduced into service. The two units are now in operation and produce 100 megawatts.

[Question] Is it true that the Ministry of Electricity is the Egyptian agency most heavily indebted to foreign banks and that it incurs a major part of Egypt's debts?

[Answer] On the contrary, the Ministry of Electricity's debts are the least burdensome to the state. We are the agency that has gotten the largest number of soft-term loans and easy grants in the past 7 years. We have obtained from the United States $1.5 billion, half of the money in a free grant and the other half at an interest rate of 2 percent and repayable over a period of 40 years. In recent years, we have gotten from Germany $0.75 billion in grants and $1.25 billion in loans at an interest rate of 1 percent and repayable over 40 years. From Canada, we have obtained interest-free loans and from France, we have obtained loans at an interest rate of 3 percent and repayable over 25 years. We have been able to repay all the High Dam debts to the Soviet Union, not to mention some other plants and the new plants, for which half the debt is paid in advance and the rest over a period of 40 years.

[Question] What is the reason for the decrease in electricity projects in Egypt's countryside?

[Answer] I will speak about Egypt's countryside very frankly. From 1982 to 1985, a total of 429 villages and 1,064 hamlets were electrified. In the Egyptian rural electrification project, 5 watts were allocated for every individual but we were surprised to find the consumption amounting to 80 watts per capita. We had to take a pause with Egypt's countryside because we found that every village was demanding a transformer with a 100 kilowatt/hour capacity and that a month later the demand rose to 600

kilowatts at a time when the lines could not withstand such tension. This is why we have decided to reduce the number of villages electrified each year and, on the other hand, to repair and strengthen the lines. A billion dollars are needed to change a powerline. Therefore, it is unreasonable to change the lines for all the Egyptian villages and to cut off their electricity supply completely while the lines are being replaced. What concerns me is to supply electricity to the countryside for agriculture and industry, not for electrical appliances.

[Question] Does the ministry collect decoration fees when streets are lit with ornamental lights on religious and national occasions?

[Answer] We have the electricity police. Instructions have been issued to them and fees have been set for ornamental lighting. But it is unreasonable for these policemen, who are small in number, to go looking for violations. The umpire in this case is the citizen's conscience to make him pay the fees.

[Question presumably dropped]

[Answer] Each new city has a 220,000-megawatt transformer plant and it is enough for 40 years. I am not worried about the new cities, but I am not responsible for the industrial projects set up in the governorates without our knowledge.

[Question] Does the minister of electricity pay attention to electricity consumption rationalization at his home and his office?

[Answer] It is true that there is more than one light bulb in my office. But what is the call for lighting more than one light at the office or turning on the heating for 10 minutes as long as I can wear a pullover or as long as I have a woollen blanket at home?

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EGYPT

SABRI REBUKES PARTIES FOR PROVOCATIONS, ABUSE

Cairo AL-AKHBAR in Arabic 27 Jan 86 p 1

[Editorial by Musa Sabri: "Enough Playing with Fire"]

[Text] The interview given by President Mubarak to Makram Muhammad Ahmad, chief editor of AL-MUSAWWAR, is the most serious interview given by the president of the republic since he assumed power. It dots all the i's and crosses all the t's insofar as the opposition's approach to dealing with the vents is concerned. The opposition's approach has become detestable and unbearable and all must awaken because democracy protects all. If these practices that kill democracy continue, then the evils will descend upon all heads.

Opposition papers have emerged, all taking a defensive position.

The defense if feeble. The justification of provocation, the organization of demonstrations, the fabrication of lies, and the instigation of public opinion are practices denounced by the masses, who want somebody to solve their problems first and foremost.

It is no excuse to say that what issues from the opposition nowadays is trapped steam that has been repressed for 30 years and that it is not surprising that slips occur and that the opposition misses the right path to sound democracy. The Labor Party leadership formed a part of Jamal 'Abd-al-Nasir's regime and was part of al-Sadat regime. Ibrahim Shukri was a governor and then a minister. Dr Hilmi Murad was a minister and a member of the Socialist Union organizations. Both took the opposition line after years of al-Sadat rule. As for the leadership of the communist Grouping Party, they fully cooperated with Jamal 'Abd-al-Nasir's regime after the communists were released from jail and agreed to dissolve their underground organizations. They worked in the national press and Khalid Muhyi-al-Din was chairman of AKHBAR AL-YAWM's board of directors. Mustafa Kamil Murad, the Liberal Party chairman, posed no more than a "tame" opposition. In any case, this party possesses none of the prerequisites of a party, except that it has a newspaper that has now become independent. As for the New Wafd, it is the newborn whose program called, as Fu'ad Siraj-al-Din told me, for Anwar al-Sadat to be president for life. What is more, Fu'ad Siraj-al-Din sent a message to al-Sadat asserting that he was prepared to join the party headed by al-Sadat.

So most of them were cooperative and were content with the then prevalent conditions. Now that the sun of democracy has risen, there is no place for saying that they are like trapped steam.

The truth is that they do not realize, or do not wish to realize, the opposition's task and message.

The difficult economic circumstances experienced by the country saddle all the parties, both the majority party and the minority parties, with democratic responsibilities compatible with what we are facing. This is why the president of the republic has asked all the parties to extend a hand and contribute to the popular and national action so as to serve the masses' interests. They can contribute, for example, to encouraging intrinsic solutions.

We need schools, institutes, hospitals, and other services. The state resources do not make it possible to build all we need. It remains for the well-to-do to contribute. Have we heard of a party encouraging its members to make such a contribution, to organize it, or to advocate it? Where is al-Wafd Party, which alleges that it is the masses' party? Where does it stand vis-a-vis the masses' demands and needs? Or has the opposition parties' activity become confined to the press? Let them know that there are parties without newspapers in the major democratic countries. But these parties work actively and influence public opinion with deeds, not words.

I also wonder: What are the opposition parties doing for the youth, keeping in mind that they all claim that they are the youth parties? Have they given though to positive action into which to channel the capabilities of the youth who are willing to work and to sacrifice but who find nobody to guide them?

Is this abusive press what we offer the youth? If the opposition press depicts everything for the youth as dark, abortive, and desperate, then what should we expect of the youth? Do they guide youth toward beneficial action and toward affiliation with Egypt or toward demonstrations, slogans, and attacks on buildings and vehicles?

If we agree that safeguarding democracy is a necessity of life, then we must all reconsider the method of democratic action and of partisan action.

What I am saying about the opposition also applies to the majority party which should offer the model to be emulated.

Continuing this "struggle" on the pages of the press and relying on pens that master the art of provocation and insolence are tantamount to persistence on the thorny path, and thorns bloody only those who get close to them. Enough playing with fire.

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PAPER ADVISES AGAINST AMENDMENT OF CONSTITUTION

Cairo Al-JUMHURIYAH in Arabic 27 Jan 86 p 6

[Editorial: "AL-JUMHURIYAH Says: Yes to Democracy, No to Amendment of Constitution"]

[Text] The debates taking place in the People's Assembly reaffirm the commitment to democracy as an irreplaceable path and course for our political life.

We have been hearing voices from deputies of the ruling Democratic National Party calling for implementation of certain aspects of the government program and proposing additions and modifications to the program. This raises our deputies to the level of performing their true role, regardless of partisan affiliation, of popular control over the executive authority's actions.

Even though we all underline our commitment to and eagerness for democracy, we at the same time underline our commitment to the constitution we have accepted and our eagerness to resort to the constitution to regulate our political life. The constitution is the fundamental charter on which our system is established.

This is why it is important and essential to confront the calls issuing from time to time from some opposition factions for changing or amending the constitution. We believe that these calls are not in the interest of the majority of the Egyptian people.

Even though we acknowledge the patriotism of the call for amending the constitution, we believe that such calls ignore the public interest and that this interest is sacrificed for a narrow partisan interest reflecting the interests of a certain group among the people's groups. Therefore, this call becomes a "false" call concealing itself behind the robe of "right".

We believe that our constitution is the main guarantee for all our people's interests and that it reflects the delicate balance existing in our society, without allowing the interests of one group to dominate the interests of the other groups.

Therefore, we must all stand to defend the constitution, to reject any endeavors to create "consitutional" confusion under our current circumstances, and to focus our efforts on enriching the democratic experience with vigilant and responsible actions under the canopy of the constitution.

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EGYPT

COMMENTATOR VIEWS RELATIONS BETWEEN GOVERNMENT, OPPOSITION

Cairo AL-AHRAM in Arabic 15 Feb 86 p 15

[Commentary by Lutfi al-Khuli: "The Government, the Opposition, and the System"]

[Text] Talk has been building recently from various sources about persistent aggravation in the political relations between the opposition and the government. Clamorous accusations are being traded back and forth concerning what has become known as "excesses in practice."

By their vehemence, these accusations have come to arouse anxiety concerning the situation and future of the democratic system and its characteristic of multiplicity.

What does this mean?

It means that, collectively, we are faced with two points of agreement:

One: The feeling of all of the parties to the democratic game--whose positions, motivations, and causes have differed--that the current democratic experiment is approaching a dangerous phase.

Two: The desire of all of the parties--to different degrees--to expend the utmost effort to rescue the democratic system and to assure its continuation and development, in face of the current and probable threat.

Naturally, these dangers appear, in a principle form, in Arab and local parasitic forces and the American-Israeli alliance. That is to say, lively democratic practice will return Egypt to its productive people and the Arab nation, establish its independent national will, fill it with possibilities for economic development and technological and social progress, and strengthens its pan-Arab, regional, and international role all together.

We do not--in this article--want to go into this particular aspect of the dangers in detail. We want to focus on the dangers that the current democratic system confronts from within. We think that it is the "intrinsic destruction" which is poisoning the practice of democracy in our situation.

The relations of action and reaction between the government and the opposition is on the way to corrupting the political climate generally.

How?

If we look at the general political form of every society that embraces the democratic system based on multiplicity, three principal institutions stand out, which are, in their sum, "democratic legitimacy." These are, first, the system, embodied by the state; secondly, the government, whose executive administration is undertaken by the majority party, alone or in partnership with a party coalition ; and, thirdly, an opposition in its multiple parties.

To the extent that the nature, limits, and functions of each institution are distinguished and clear and respected by the other institutions, in accordance with publicly announced principles obligatory for everyone by means of the constitution, the pursuit of democracy is genuine, deep-rooted, and productive, able to protect itself by itself, no matter how great the difference and conflict which exists among these institutions during the pursuit.

Democracy is not freedom in its pure or moral sense, but rather, freedom that has been transformed into a social, political, and economic system. Consequently it means, by definition, a form and content of authority and its relationship with the masses and institutions and between the government and the opposition parties.

If we try to translate this general picture into the language of the particular situation in our country, we encounter the following four things:

1. A system that is embodied in a state, which is the Arab Republic of Egypt.

2. An executive government composed of the National Democratic Party, which officially gained a majority in the Peoples' Assembly elections in 1984.

3. An opposition, which is currently composed of five parties, namely, the Wafd Party, the Grouping Party, the Socialist Labor Party, the Liberals Party, and the Ummah Party..

4. A constitution for the organization of the state issued on 30 April 1980 defining the legal national framework for political practice, regulating and governing the relations, in both their agreement and their opposition, among the three institutions.

Expulsion or exclusion of any one of these four elements shakes legitimacy and kills democracy, stability, and the possibilities of development and healthy change for the current community, and opens the door to one of two alternatives: a coup d'etat or a revolution.

However, we must point out that the fall of the party entrusted with the administration of the government, whether by decline of its majority or by its losing legislative elections to an opposition party or a coalition of other parties, is not expulsion or exclusion of any of the four parts of the

democratic structure. That is, the government, as an executive apparatus, still remains as an institution, while the party which carries out the administration is changed by a mandate from the voters.

This situation is found, and is legal, in every democratic system accepting party multiplicity. Democracy means rotation, legally, of government and authority among the parties. It is completely incompatible with a certain party's monopoly on the government or presidency of the state. In the democratic system, the situation of the parties changes. But the system as a state, and the government as executive authority, and the opposition parties, and the constitution, governing all according to law, remain.

In contrast to all of that, the process of expulsion and exclusion, which is democratically taboo, includes an effort by any one of the institutions of the democratic structure to change, by itself, its nature and broaden its limits and expand its functions at the expense of the others.

It is not usually conceivable that this would happen except by physical or moral repression, a situation which changes the democratic system into a merely formal decoration, devoid of content, with fragmentary effectiveness and closed channels. In this manner, it is deprived of its legitimacy, social and political stability is shaken, and a storm occurs in the general national agreement on the choice of the peaceful democratic path as the way to growth and change, The matter ends, in such a country, in one of two crises, either dictatorship or anarchy.

In our estimation, if the current political pursuit of democracy continues in this direction, in which the institutions appear to be lying in wait for each other and resorting to accusation and abuse instead of dialogue and evaluation, then there is a real danger that we will slide toward the dilemma of either dictatorship or anarchy,

No doubt, there are various objective and subjective causes for this dangerous imbalance which corrupts democratic movement and practice in our situation.

Space is not sufficient here to deal with it in detail. It is better to focus on what we consider to be its crucial causes.

In our opinion, the imbalance in the body democratic and in the relations among its members is hidden in the spread of an incorrect concept that confuses the government and the system as if both were two names for the same thing. This is due to the movement of the ruling party and most of the opposition parties together.

The ruling party still carries the remnants of the seventies. The mentality of a single all-inclusive organization, which does not consider anything legitimate that is outside of its walls, still governs it. It considers itself to be the system and the government, and it deals with the opposition parties as if they were institutions foreign to the system and not legitimate, or, at the least, as an inescapable evil which must be resisted, not brought into dialogue. Therefore, it rejects, in practice, the fundamental democratic concept, which rests on the basis that the opposition parties, even if they

have differed in their programs from the ruling party, are still--objectively--participants in the essence of the state, the system, and the constitution.

Therefore, the majority orientation toward the movement of the ruling party has disturbed the relations of the opposition parties with the system, stirred it up against them, and utilized its parliamentary majority and the administrative apparatus of the government to issue laws or decrees to block their activities and distort their positions, and to deprive them of their constitutional rights to the necessary information about the major issues and problems and to participate in the making of decisions through the legitimate channels of the system.

Continuation of this situation, by its nature, will create a counter-reaction characterized by an unstudied emotional excitability on the part of the opposition parties. This type of action and reaction plunges everyone into an empty cycle of irrational collision that tears the unity of the democratic fabric, and democratic practice is gradually concealed in differences of opinion. Legitimate competition between the ruling party and opposition parties to win the masses to their orientation and programs spreads and roots democratic values in society.

The fact is that this methodological error of mixing up the cards of governing party/government and system/state is not limited just to the ruling party. Many of the opposition parties also fall into it. Occasionally, they act under certain political and social pressures as if they were outside the system and its constitution, whereas the legitimacy of the parties and their power to influence--whatever their orientations and their positions-- flow from their being an inseparable part of the system as long as they are open and bound to the constitution.

The existence of the opposition parties is part of the system, in spite of their conflict with the governing party. This does not mean, however, as some imagine, cutting off the way to their right to work for the sake of changing the nature of authority and the system, and even the constitution itself. But it means that the way to this is by means of popular democratic action, not by coup or revolution.

As for the system, even if it necessarily possesses content and clearly defined social interests, it will not acquire its credibility and its weight of sovereignty and its general national acceptance, as an institution, unless it rests on a minimum foundation of collective participation by the ruling party and the opposition parties and citizens of various classes. This group participation imposes on the system responsibility to eschew partisanship for itself, its decisions, and its positions even if the president is a party man. If the system fails to do this, it is changed from a general institution possessing the power of consensus and the characteristic of the collective conscience for the nation into a special institution for the production of its own authority and its pursuit of the interest of limited factions outside the framework of democracy.

The system/state, as a social and group institution at the same time, for all social forces and their parties, in spite of the differences among them, is governed, in its movement and dealing with the governing party, the opposition parties, and non-party member citizens, by a group of universal principles, which form the common minimum to which everyone agrees as the unified framework for unified obligations. These principles are what is known as the constitution.

In accordance with our constitution, this framework and the unified obligations that govern the relations between the system, the government and its party, and the opposition parties are embodied in the following seven points, "articles one through six of the constitution."

1. The system is that of a republic.

2. Preservation of and support for political and economic independence and freedom of the national will.

3. The Egyptian people are part of the Arab nation and work to achieve its complete unity.

4. Islam is the religion of the state, and the principles of the Islamic shari'a are the principle source for legislation, while article 46 of the constitution guarantees freedom of belief.

5. Sovereignty belongs to the people alone, and they are the source of authority, practicing it, preserving it, and upholding national unity, while article 11 of the constitution assures equality between men and women.

6. The economic basis of the system is democratic socialism. It rests on suitability, justice, and the prevention of exploitation. It leads to narrowing differences in income and protects rightful earnings. It provides for fair distribution of public burdens and obligations.

7. The political basis of the system rests on multiplicity of parties.

These seven points have defined the strength of the national consensus for the system and its legitimacy and have governed the relations between the governing party and the opposition parties. They also are the objective yardstick by which the excesses of any of the parties to the current democratic game are measured through their practice of their political and social responsibilities.

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EGYPT

PEOPLE'S ASSEMBLY DISCUSSES ISLAMIC LAWS, DEMOCRACY, HOUSING

Cairo AL-AHRAM in Arabic 28 Jan 86 p 6

[Article by Mahmud Mu'awwad, 'Abd-al-Jawad 'Ali, and Sharif al-'Abd: "Broad Discussions in National Assembly on Democracy and Islamic Shari'a; Demand for Mobilizing All Resources To Provide Housing Compatible with Egyptian Citizen's Income; Democracy in Egypt Must Be Tied to Public Interest"]

[Text] People's Assembly members from both the majority and the opposition raised numerous issues during the third session, held by the Assembly yesterday under the chairmanship of Speaker Dr Rif'at al-Mahjub to debate the cabinet statement.

Through Dr al-Sayyid 'Ali al-Sayyid, the minister of People's Assembly and Consultative Council affairs, the cabinet emphasized that the parties have agreed to purge the laws of whatever violates the Islamic Shari'a.

The members demanded that all the state resources be mobilized to provide housing compatible with the Egyptian citizen's income in order to solve the serious housing crisis. They also demanded that democracy be tied to the public interest.

At the outset of the meeting, held under the chairmanship of Dr Rif'at al-Mahjub, the Assembly approved a loan agreement for 2,256,000,000 yen with Japan to finance the projects to construct the mechanized agriculture service plants.

The Assembly then proceeded to discuss the report of the committee for responding to the cabinet statement. Sulayman al-Jawhari said: The first thing we must do is to enhance the efficiency of the educational process so that the emphasis may be put on entrenching religious thought and national conviction in the souls of the students in order that they may develop a stronger affiliation with their country. The necessary appropriations must also be secured to supply the instruments of education, including educational and technical installations and equipment. Attention must also be devoted to developing higher education by modernizing the universities and providing the scientific equipment needed for the educational process. Moreover, attention must be devoted to developing the provincial universities so that they may

play a better role in serving the environment in which they exist and to forming basic teaching faculties for these universities so that they may have their independence and identity.

Rawiyah 'Atiyah said: Providing housing to every citizen must be one of the state's fundamental objectives in this phase. Where is the system of housing for one-quarter of one's wages? The cost of housing for people with limited income has risen so high that it is difficult to find housing units. The state must mobilize all its resources to solve this problem.

Member 'Atiyah demanded that lands be supplied by the state for housing so as to encourage the private sector to contribute to solving the problem.

She also demanded that the state tackle fundamentally the problem of the rise in the cost of private medical care in Egypt now that it has become obvious that a very high percentage of Egyptian patients do not possess the means to obtain medical care at these exaggerated prices.

Opposition and Cabinet Statement

Tabir Hazin from al-Wafd Party said: I have noticed that there is a contradiction between President Husni Mubarak's statement and the prime minister's statement, considering that President Mubarak believes that solving the political issue is the path to solving the economic problem. President Mubarak has referred nearly 20 times to the great awakening and this confirms that the Egyptian citizen is living in a state of alienation and indifference. It is the president's opinion that the cure lies in bolstering democracy. But the prime minister's statement considers democracy just a dialogue between two parties and between one opinion and the opposing opinion, that this is tied to the National Party's program, and that people have fallen on their faces because of these principles.

Democracy and freedom, not intellectual suppression, are what give the citizen the strength to contribute.

Tahir Hazin also said that the president's call for the great awakening is nothing but a form of protest against these principles. What is happening now is that there is a major party in whose orbit other parties revolve. This is a system that is not free of totalitarianism. Therefore, the single-party concept is still prevalent. This was underlined yesterday by Dr Muhammad Dakruri, who called for casting away the robe of partisanship. There is a merger between the executive leaderships and the National Party leaderships. Most of the trade unionist leaders are members of the party and only this party's members get freedom of action. The National Party seizes the other parties' offices and it is, therefore, in full control. Moreover, the authorities in Egypt are "merged," not "separated." Therefore, I believe that it is necessary to form an "elected" constituent assembly to draft a new constitution. There is a basic rule, namely that the nation is the source of powers, and this rule is what guarantees a sound election to the chairmanship of the authorities, be they executive or political.

The government program is devoid of any announcement abolishing the ill-reputed laws.

Government Responds

Dr al-Sayyid 'Ali al-Sayyid, the minister of the People's Assembly and Consultative Council affairs, said in response: Brother Tahir Hazin said that there is a contradiction between the president's statement and the prime minister's statement. However, he has not demonstrated the sources of this contradiction. He is not aware that the prime minister's statement is a program reflecting the president's statement. We have noticed that the member did not talk about the cabinet statement but discussed the National Party program. May the member permit me to present to him the party program, perhaps he has not read it well. The cabinet is the National Party cabinet, even though it works for all of Egypt.

I wonder: Is it reasonable to be talking nowadays about intellectual oppression when we see the national press and the partisan press opposing the government with no restriction? There is no control by the government over the press.

How can the president's statement be a protest against the party's principles? What principles is it protesting? Are they the democratic principles? Does Hazin mean that the president's statement is a protest against democracy? Such words distort Egypt's smiling face. As for the principle of separation of powers, it is no longer the sharp and decisive principle separating the powers. This separation has become a separation motivated by cooperation because all work for the same interest. There is no control over our decision making here in the Assembly. This Assembly is not an assembly for legislation but the legislative brain. The judicial authority enjoys full freedom and it is this assembly which has given the judicial authority its full freedom. The minister of justice's connection with the judicial authority is merely a connection that defines the constitutional responsibility. Here, we are the legislative authority, not the government authority. The minister added: Brother Hazin has said that the nation is the source of all power. He raises this slogan daily whereas it has now been established that the nation is one thing and the people another. The people are a part of the nation.

The minister added: As for forming a constituent assembly to draft a constitution, I say that the committee which drafted the constitution had toured all the Egyptian cities before drafting it. Our constitution has bolstered the rights and the duties. We wish the parties would strengthen the principle that duties come before rights.

National Party's Resources from Its Members' Subscriptions

Kamal al-Shadhili said: I feel that colleague Tahir Hazin has not been debating the government program but rather the National Party's program. I say that the Egyptian people made their decision on the parties' programs in the latest People's Assembly elections which have brought a majority from the Democratic

National Party. If Hazin wants to know what our party's program is, then I tell him that the National Party's program is an extension of the gains of the 23 July 1952 revolution. We do not like pronouncements to be made offhandedly. Our National Party's resources come from the subscriptions of the party members and from donations made by citizens living in Egypt, not outside it.

Let me return to the cabinet statement to say that the People's Assembly's report has come as a free outcome of all the partisan political tendencies in the Assembly. During the debate, the dialogue has been magnificent and has risen to the level of responsibility. This is why the statement reflected sincere patriotism and boundless democracy. This is the democracy that accepts all opinions. We, as a National Party, are eager to carry on with democracy, as President Mubarak declared yesterday, and we will accept no alternative to democracy, regardless of what has been said and whatever is said.

Mustafa Zaydan said: I demand that the social and economic problems be tackled scientifically and objectively and that we steer clear off palliatives. He also demanded enhancing the level of labor training to insure improvement in production's quality and encouraging the private sector to train high-level skilled cadres. He also said that equal job opportunities must be given to all and that athletic skills must be encouraged among the workers to strengthen their bodies.

Zaynab 'Abd-al-Hamid said: We urgently need to rebuild the Egyptian citizen on a sound religious basis because we will be able to establish the mainstays of our society only by preparing the citizen soundly. This is why we must return to our genuine religious and moral values. This is the task of the family, the school, and the media. We want to create a good model for youth.

She further said: I urge the president of the republic to call for a scientific conference in which clergymen and sociologists take part to discuss the means of entrenching religious values in the citizens' minds.

Egypt Has Unmatched Islam

His Eminence Shaykh Muhammad al-Matrawi from al-Wafd Party said: Reforming man is a duty imposed by God on all religions. Islam always prescribes solutions to all of society's problems. The prophet, may God's peace and prayers be upon him, did not relent insofar as any of God's restrictions are concerned. He said: By God, if Fatimah, the daughter of Muhammad, steals Muhammad will cut off her hand. Egypt has an Islam unmatched in the world, thanks to its al-Azhar and its upright clergymen. His eminence then asked: Where can we get honest and upright men if all don't obey God's law? Our social and economic problem can be solved only if we adopt God's law and apply God's Shari'a, embodied in the Islamic Shari'a laws. This is why the Islamic Shari'a laws must be promulgated quickly. I appeal to all the parties to include in their programs a provision calling for adherence to religion.

'Abd-al-Qadir al-Bahrawi demanded that the laws obstructing social development be reviewed and that the laws be combined and unified according to subject

matter so as to facilitate the people's interests. He also demanded that the level of the various stages of education be improved and that a public guide be issued to make it easier for the citizens to deal with the government apparatus when their interests dictate such dealings.

Mahmud al-Sayyid 'Abd-al-Rahman said: We must all work to alleviate the people's hardship so that they may proceed to increase agricultural and industrial production. Our people are good and generous but the government must exert efforts to develop the Egyptian village so that this village may turn into a production unit which contributes to strengthening the national economy.

Dr Rif'at al-Mahjub said: Does this mean that the government should visit and tour the villages?

Mahmud al-Sayyid 'Abd-al-Rahman: We wish it would. This is our wish.

Dr Rif'at al-Mahjub: This is unreasonable because the government work will be affected.

Will Subsidy Be Abolished?

Mahmud al-Sayyid added: I demand that the subsidy be abolished immediately and that a cash allowance equalling the value of the subsidy be paid to employees, workers, and pensioners who merit this subsidy. We will thus make sure that the subsidy is delivered to those who deserve it. I also demand that the customs exemptions be reconsidered so that every citizen may contribute to bolstering Egypt's economy.

Dr Rif'at al-Mahjub: There is a charted policy in accordance with which the government proceeds and there is no call to demand that everything be abolished. The demand can be made for reexamination.

Ahmad al-Idrisi said: I demand that the tourist activity be strengthened, especially since Egypt contains various kinds of historical sites and tourist beaches that can be exploited throughout the year. I support the government plans to develop tourism and to attract large numbers of tourists.

Muhammad Mahfuz from al-Wafd Party said: Enough injustice against the public sector. What crime has the public sector committed insofar as this hardship is concerned? I want the government to give the public sector a free hand to work and produce. The public sector has protected millions of workers from homelessness and dismissal from work. I fear that the slogan of the "great awakening" will have the same fate as the slogan of "unity, order, and work" and of "the state of science and faith." We hope that Egypt will be ruled by God's book, may God be praised, through a speedy promulgation of the Islamic Shari'a laws which Dr Rif'at al-Mahjub has promised us this assembly will issue.

Responding, Dr al-Sayyid 'Ali al-Sayyid, the minister of the People's Assembly and Consultative Council affairs, said: We believe in God's rule. Application begins with one's self and with the family. God forbid that the Koran be captive in Egypt. Else, why do we pray? We are Muslim people who believe in God. As for our legal system, it contains nothing violating the Islamic Shari'a, except for a few articles. The parties have agreed on the need to purge the laws of whatever violates the Islamic Shari'a.

Zaynab Ramadan said: I demand that health education be spread among the citizens, that the level of the curative services of the rural goverment hospitals and health units be improved, and that attention be devoted to the pollution phenomenon so as to protect the citizens' public health.

Ahmad Abu Zayd said: We must be proud of the democratic action experienced by Egypt presently. I wish the committee underlined the chaotic exercise of democracy as a result of which the outside world has come to imagine that all of Egypt is in ruins. Democracy must be tied to the public interest. Let us all realize that Egypt is targeted and that the country is not a single-party country.

Mustafa Sulayman said: Coordination must be established between the electricity and agriculture ministries so that power may not be cut off during irrigation periods. The law governing the relationship between landlords and tenants must be issued speedily and the foreign currency needed for the industrial public sector's requirements must be secured.

Fayidah Kamil said: I demand that attention be devoted to tourism, that direct flights to the tourist sites be encouraged, that the housing problem be solved, that housing be made available to graveyard dwellers who are forced to leave their dwellings, and that pharmacies be allowed to open all night so that patients may be able to get drugs at any time.

Mustafa Abu Talib demanded that the mosque's role in serving society and in spreading religious awareness among the citizens be strengthened, saying that this requires that preachers be given special training in order that they may be able to perform their role in spreading religion. He also demanded that they wear a special uniform and have a union to protect and attend to their affairs.

Mustafa Husayn said: I demand that the election, political isolation, and press laws be amended and that the only control over the press be the conscience of the journalist himself.

Hazim Abu Sutayt said: We believe in the freedom of the opposition out of our belief in bolstering democratic action. The National Party government exerts efforts to make use of the opposition's opinion on tackling society problems and issues.

The assembly will hold its next meeting on 8 February 1986.

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BUSINESSMAN DISCUSSES BLACK MARKET PRACTICES

London AL-MAJALLAH in Arabic 25-31 Dec 85 pp 36-37, 39

[Article: "Biggest Egyptian Money-changer Speaks to AL-MAJALLAH After Release from Jail; Bureaucratic Decrees Will Not Eliminate Black Market"]

[Text] Cairo--With the money-changers controlling the Egyptian currency exchange market, the government had to consider two solutions in order to control the market: either acknowledge the presence of a new group and a new activity emerging under the canopy of the economic open-door policy, namely the money-changers, and codify a money-changing system for them, or give the banks a free hand in setting foreign currency prices according to supply and demand. This time, the government must think a thousand times before it issues any new economic decrees so that it may regain confidence in the banking apparatus and in its economic policy, since the market has been clamoring over the countless economic decrees and laws that have resulted in an insane and unprecedented rise in the price of the U.S. dollar in Egypt at a time when the dollar has been losing ground against the other world currencies.

If the Egyptian government is currently giving serious consideration to codifying the money-changing system, the Egyptian money-changers who form the new lobby welcome such a decree, but according to the conditions and controls they deem necessary. AL-MAJALLAH interviewed Sami 'Ali Hasan, the best-known Egyptian money-changer, for the first time since his release from prison and since the Values Court issued a sentence sequestering his money and properties. It is said that the volume of his transactions before the sequestration amounted to 2 billion pounds.

To begin, the Egyptian money-changing millionaire recounted the story of the emergence of the money-changing market, saying:

The Egyptian money-changing black market developed under the canopy of the Egyptian open-door policy in 1974 and 1975. There was then no real money market but rather a group of individuals who transferred to each other sums remitted to them from their accounts.

The private sector's needs surfaced in 1978 and 1979, the currency acquisition law and the imports law were issued, and currency circulation developed. The reason for this circulation is that merchants wanted to import goods from abroad and resorted to the black market money-changers. Previously, the banks

met the market needs by way of the Central Bank because the volume of imports had then been smaller than in 1978 and 1979. The people's demand for foreign currency generally grew and most imports came via the local market and according to individual needs, not via the banks, which did not possess adequate assets of foreign currencies. This is a mistake that continues to exist and that has led to the emergence of the money-changing black market to meet the private sector's needs for foreign currency. Moreover, the banks lack the channels to attract such currencies from abroad. The black market's entire activity relies on the savings of Egyptians working abroad. These savings meet a large number of the market's needs and constitute a good source for supplying the black market with foreign currency because they flow into the market daily to supply the free accounts which in turn supply the import accounts.

We Are Not Black Market

The phrase "a money-changing black market" is a phrase which money-changer Sami 'Ali Hasan rejects. It means, according to Hasan, that the money-changer exploits all the foreign currency available to him in the interest of importation from any country in the world. He is not a dollar- or a pound-changer but a changer of various currencies. The gathering of savings constitutes a part of money-changing and Sami believes that the flow of the incoming currencies or the nature of the individuals' needs is what defines a money-changer. Money-changing is present in the other Arab countries, even though under different names such as a money exchange or transactions between individuals.

As to Hasan's opinion on the decrees which the ex-minister of economy issued on 5 January 1985 and which he described as decrees designed to strike at the money-changers, Hasan said:

Everybody issues the decrees he wishes but the outcome proves how creditable such decrees are. Before the money-changers' accounts were terminated on 8 August 1983, the highest price reached by the dollar until then was 118 piasters per dollar. Now, the current price of a dollar is 185 piasters, even though imports are suspended in various forms and even though there is a committee for the rationalization of imports. Before the termination of the accounts, the door of imports was wide open and we imported whatever we wanted. Before the termination of the accounts, the prices were moderate and there was a sufficient supply of dollars. But the currency market has one "boss." Demand is the market boss and the biggest money-changer in the market is the one who commands the highest demand in the market.

Hasan described the 5 January decrees as unobjective bureaucratic decrees that do not reflect the Egyptian currency market. It suffices as testimony to the Egyptian money-changers that the dollar's price is nowadays rising whereas the Egyptian pound's price is declining, even though a rise in prices is not the main concern of the money-changer, who is interested in stable prices so that the capital cycle may continue. The greater the volume of the capital cycle in Egyptian pounds, the better it is for the money-changer. The dollar which the money-changer used to buy for 118 piasters now costs him 185 piasters. This means that the money-changer's purchasing power had declined, that he cannot purchase enough dollars, and that his profit is decreasing. A money-changer's purchasing power increases with a stronger Egyptian pound because he can buy and sell more dollars.

Meeting All Needs

Talk about dollars is especially palatable to money-changer Sami Hasan. He used to live with the dollar 18 hours a day, sitting at bank directors' desks, watching the world bourses, and receiving accounts remitted from the Arab countries. He is not at all surprised by the insane rise in the U.S. dollar's price in Egypt. He said:

As a money-changer, I attribute this rise to the fact that the market has no boss, meaning that the market finds nobody to regulate it. The Central Bank wanted to curb the price rise and formed a committee to control and set the price each day. We have not heard the outcome of this committee's meetings. What does the meeting of a committee to set the price mean and on what basis is this price set? Has the committee met all the needs? Does the foreign currency accumulated by the committee flow to the private sector or to the public sector only, with the private sector resorting to the black market money-changers to get what it needs for its imports? The dollar's price has risen and we have reaped no benefit from the committee formed by the Central Bank. When I operated in the currency market, I met the needs of both the public and the private sector simultaneously and the dollar's price never reached its current level. For this price to drop in the market, both the public sector and the private sector must operate at the same time and the Central Bank must be in possession of enough foreign currency to meet both sector's needs and to bring down the price. Some foreign currency resources have dried up because some Egyptian workers are returning from the Arab countries due to the special circumstances of these countries. The unavailability of foreign currency to the Central Bank has not enabled the bank to control the market. Moreover, there are internal flaws in the Central Bank's economic policy. The sentence of the Values Court in the banks' case has pointed out these flaws.

At the same time, the Central Bank was supposed to acquire foreign currency resources from companies selling in a foreign currency so that these resources may be distributed to other companies in need of foreign currency. Instead, these companies make their transactions with each other and in freedom from the Central Bank. I believe that the government can control the market price by collecting the revenues of the public-sector companies' exports and distributing these revenues to the other companies that need foreign currency, with the state setting a reasonable exchange price. The companies say that they are losing and that they want to make up for the loss by selling their foreign currency to other companies at a high price. Thus, the cost to other companies increases and centralization in collecting foreign currency resources disappears.

Money-changers Committee

Hasan said further that if the state is thinking of setting up money-changing offices, then these offices must be given freedom and a tax exemption for a certain period of time similar to that given the investment companies. It is Sami Hasan's opinion that money-changing offices are places where ordinary people exchange small sums of currency and that money-changers and banks complement each other because the success of money-changing relies on the fact

that there are citizens who possess foreign currency and who are afraid to go to the banks. A money-changer is more capable of dealing with such people than a bank. The group in possession of money nowadays consists of people with middle-level education and craftsmen. These people remit their money to Egypt via the black market money-changers so as to make a bigger profit than the profit they make from dealing with banks.

8494/12859
CSO: 4504/135

EGYPT

BRIEFS

ALEXANDRIA SEWAGE PROJECT COMPLETION--Alexandria--Work on the emergency sewerage project for Alexandria will be completed in May, before the onset of the summer season, so as to eliminate beach pollution. The project will cost 50 million pounds and provides for eliminating all the outlets which have been dumping waste on the beach from al-Ma'murah to al-Silsilah. It also provides for collecting the waste of the eastern part of the city through new networks and for treating and purifying this waste in the treatment plants and then for pumping this waste through open sewers to al-Maks pumps which will in turn pump it into the sea after the pollution rate is reduced to no more than 5 percent. The wastes of the central part of the city will be collected and pumped into the sea near al-Silsilah and Qaytibay through three outlets, each with a length of 750 meters and a width of 36 meters. Fawzi Ma'adh, the governor of Alexandria, accompanied by 'Izzat Qadus, the Local Council chairman, and Engineer Salah Hasaballah, the Arab Contractors Company chairman and the man in charge of implementing the project, yesterday inspected the project sites on the spot. The governor stated that the work is progressing at a record pace and with high efficiency. He added that this project is not in conflict with the city's comprehensive sewerage project, which will determine whether the final site of waste disposal will be located on land or at sea. The work on the comprehensive project is scheduled to be completed in 1990 and the current project is tantamount to an initial phase of the comprehensive project. The governor added that the current project will be completed on schedule and before the onset of next summer. [Text] [Article by Sami Riyad] [Cairo AL-AHRAM in Arabic 29 Jan 86 p 8] 8494/13252

CSO: 4504/194

LIBYA

PAPER DENOUNCES ROLE OF U.S., WEST IN GHANA

Tripoli AL-ZAHF AL-AKHDAR in Arabic 23 Dec 85 p 10

/Article by Salim al-Ziyadi: "The Train of Terrorism Is Arriving in Ghana"/

/Text/ Although the languages of capitals, political methods, "intelligence" activity, the weaving of intrigue and conspiracies and even the viewpoints and culture of their filthy symbols differ, imperialism is the same in all its nests, from Paris to London to Washington.

However, before getting into the details of our subject, we must point to an important "fact" which concerns imperialists' relations among themselves toward the formerly "colonized" countries of the third world and toward the African continent in particular. This fact is manifest in the absence of "contradictions" among the imperialist countries and old and new imperialism as far as areas of influence are concerned, especially in the African continent. That is, there is no contradiction between Franch and American colonial policy. Rather, what does exist is just "conflict" among imperialists.

France wants to maintain exclusive dominance over its old colonies, and does not want anyone to interfere in what it considers to be its affairs. It does not want competition from anyone in stealing Africa's bounties and it does not want counsel from anyone in placing agents--or, as one of its presidents once expressed it, "France is not satisfied when one of its children marries someone i.e." Therefore, it has drawn up a collective body of "French-speaking countries"--the "Francophones" who are not worthy of a continent which is trying to seek its own identity, control its own resources and create its new people, free from the dregs of the defunct old order.

Today American imperialism is throwing its weight in the black continent in regaining Western influence on its own behalf at times, as an heir of the old colonialism in a new form, and through support for regimes which still have ties to colonialism at other times.

American imperialism has followed two methods in its dealings with the countries of the continent.

First, it has devised conspiracies and military coups against regimes opposed to imperialist influence in all its forms.

The second has been to tie economic, technical and military information to conditions which thwart the African countries' ambitions to achieve a social liberationist substance for their movement of political independence, so that they will continue to be a source of raw materials and a market for Western commodities and technology on the economic level.

These are the prominent characteristics of the movement of French and American imperialist axes in the African continent.

Therefore, a political reading of the events which a specific African country going through cannot be separated from a comprehensive reading of the events the entire African continent is going through. These may be summarized as a continuous confrontation between the forces of liberation and revolution in the continent and the imperialist forces which have designs on them, their resources, their capacities and their situation, as we have specified above.

Some months ago we were in Ghana, one of the high spots of progressivism in the African continent today and one of the countries in Africa which have been fatigued and exhausted by coups and people holding coups. We have seen that there are people and leaders who are trying to regain the status. Dr Kwame Nkrumah set aside for them, starting in 1957, when he put Ghana in the vanguard of African countries opposed to imperialism, backwardness, colonialism and racism and alongside the Egypt of 'Abd-al-Nasir and Algieria, then a flaming revolutionary center in the midst of the jungles of Equatorial Africa, and the destination of African liberation movements.

We saw the Ghanaian people seeking to control their country's economy and their revolutionary leaders realizing that independence would not change the basic framework of an economy which colonialism had basically established. Therefore this was the nature of radical problems the colonialists' rule had created after independence, toward the creation of circumstances which increased grave contradictions within the new Ghanaian government.

Although Ghana is a country which seized its independence ahead of most African countries, political instability played a role at the expense of the Ghanaian people's progress. As we know, military coups are the easiest, and shortest for reasserting the Westerners' dominance and influence over the countries of the black continent. In addition, the technique Western imperialism follows against the African countries is still in place:

The recruitment of mercenaries on behalf of local reaction in its struggle to eliminate regimes which are pursuing a progressive national course in this direction, even if that is not radical; modern Ghanaian history is the most eloquent confirmation of this.

However, it appears that imperialism has realized that the African peoples have become aware of its game and has started to change its styles. Yesterday the American government declared the suspension of aid to the Ghanaian people.

What aid are the imperialists giving the peoples of Africa, do you suppose?

The imperialist countries' entire economy, as we have pointed out, is founded on what is contained in Africa, which is considered to be the storehouse of raw materials and international resources, from wood and gum arabic to gold and uranium.

In Ghana, for example, there is more cocoa than in most countries of the world, but nonetheless the people of Ghana benefit only a little from it. Most of it is smuggled out to foreign Western companies which export it through Togo and other countries bordering on Ghana.

How, then, can the imperialist countries claim that they are offering the African countries aid which they cut off when they want, and offer when they want? The aid they are claiming to give comes from the land of Africa by theft, plunder, piracy and smuggling; since the Europeans and Americans came to the African continent they have even been stealing African people, putting them in slave markets and engaging in triangular commerce in them. What then can one say about the tremendous resources and other bounties of Africa?

Today as soon as the Ghanaian people and their leaders declare the renunciation of obedience to American imperialism, refuse to submit to its inhumane conditions, expel the spies it has planted on their territory and inter the cadavers of its agents, America declares the suspension of aid and economic blockade against the Ghanaian people; but will America be successful in what it aspires to do?

Certainly not, because America had previously engaged in this terror against other African countries and failed, by the admission of its "grandees." It came up against a stubborn revolutionary will which spoiled all its schemes. In addition, American arrogance, by venturing on this step, has caused the movement opposed to it to add another people to the scales hostile to it. The Ghanaian people have realized that the terrorist train of imperialism has arrived at their country and they therefore have started to make their preparations to confront it, whatever the price might be.

11887
CSO: 4504/202

FRENCH ACTIVITIES IN CHAD DEPLORED

Tripoli AL-ZAHF AL-AKHDAR in Arabic 23 Dec 85 p 10

/Article: "It Is Not One of Elysee's Cards"/

/Text/ In order for the French to get to Chad, they have to pass through more than one country, they must go beyond more than one border and are compelled to stop at more than one checkpoint. Between France and Chad there is more than one natural and man-made barrier. In spite of that, France has reached Chad!

How many countries separate Libya from Chad, though? How many borders must a Libyan go beyond in order to reach his brother in Chad? How many checkpoints is it necessary to stop at? For the French to reach Chad they have to cover thousands of kilometers, but how many kilometers must the Libyans cover to get to Chad?

What a difference there is between the distance between Paris and Njamena and that between Sabha and Njamena! That is one point.

As to the other point, what social ties bind the French to the people of Chad? What spiritual ties? What economic ties?

France has tied the people of Chad to itself politically, and by force and by virtue of these ties have colonized Chad, plundered its bounties, driven out its peopoe, stirred up dissension and unrest among them and thereby weakened the social ties among the people of Chad, so that internecine fighting and combat have occurred and affection and mercy among brothers has been severed.

We find that the ties which are lacking between the French and the people of Chad are obvious between the Libyans and the people of Chad, since the two peoples have been linked socially and spiritually, and nature has united them and linked them together.

Politically, Libya does not impose its views by force and does not interfere in the affairs of any country. Even if circumstances make interference mandatory, owing to a feeling of danger, that interference must be preceded by a vote.

We have said that France is distant from Chad, geographically in the first place; in spite of that, France passed over more than one country and crossed more than one border, and did not stop at any checkpoint until it reached Chad. It used it as a field for training French people in the nature of African terrain and used other areas as places for storing its various weapons! By what right and under what excuse does France, a European country situated north of the Mediterranean, cross the sea, get to the south of Africa, enter Chad, divide it up into north and south and set out geographical coordinates for it?

What has France offered the people of Chad, whom it colonized many years ago and over whom it is now trying once again to spread its influence? By what right does France try to stick its nose further into Chad, assembling a group of Gallicized African presidents on its territory and forcing them to say that France has a right to Chad and, under pressure, condemn what is called in French the Libyan occupation of Chad? Is France really concerned that every people in every country live free and absolutely sovereign, without anyone interfering in their affairs?

Not at all. France is lying, because it tries to dominate Chad. It tries to stick its nose into other African countries. On top of that, it is also crossing seas and oceans to reach Caledonia, to colonize its people, and it is trying to imprint the French character on them. And so on.

So France is lying.

That is because Chad is African, because its people are Moslem and because it is a neighbor of ours and of our nation and it has members in the Organization of African Unity, and consequently Chad's security is the same as Libya's. Just as Chad has the right to "occupy" Libya, if we assume that the Italians were trying to come back, the same is the situation with regard to Libya; it has the right to "occupy" Chad. This is something over which there is no dispute and it is not open to discussion at any level.

Libya, in spite of what has been said, did not intervene in Chad with the purpose of colonizing it or plundering its resources, as France is doing. Although they try to hang the expression "colonialism" on Libya, it cannot be applied to Libya, in accordance with what was mentioned above, even if the Libyans go into all of Chad's territory. That can be explained by several reasons, foremost among them social relations. Libya entered Chad on the basis of a request from the people of Chad themselves, with the goal of saving them. In spite of the intense suffering and in spite of the harsh desert and its frightening vastness, pride drove the Libyans to respond to the appeal of their brothers in Chad, taking on all challenges.

In the course of no more than 3 years, the Libyans opened schools for the people of Chad in the north with the purpose of teaching them and saving them from the darkness of "French ignorance." It provided them with the necessary food to save them from the specter of drought which was threatening

them. Thus it has become difficult to compare the people of Chad in the north with their brothers in the south, since France has set them apart by an east-west line and there they have continued to groan under the specter of drought, the whips of agents and the arrogance of colonialists.

Logic states that the Libyans are worthier of Chad. They have a better grasp than the French of its people's social problems and their tribal and clan struggles, and thus the Libyans are better able to solve these problems among their brothers of Chad, without needing translators or "round tables," and therefore are far removed from the limelight.

What does France want? Why is it installing itself as an overseer, by force, over Chad, an African country? Why is France pretending ignorance of the Organization of African Unity, which has legitimate authority to intervene and resolve all struggles among African countries? Why is France trying to cast doubts on Libya's intentions toward Chad and describing it as an occupying force, sometimes, deflecting charges from itself and basing its fantasy on Libya's attempt to form an empire in Africa, while France has underhanded contingents in every continent? Why is France pretending ignorance of the sight of the people of the south, who have packed the suitcases they still have, leaving their country in humiliation, fleeing the tyranny of the French occupation in an attempt to rid themselves of repression.

France must realize that the era of tutelage and the time of occupation has gone. It must be aware that Africa is for the Africans.

France must not link its presence in Chad to the Libyan presence. How great is the difference between the two presences! The former is an occupation and the second is the intent to save a fraternal people from the terror of oppression.

The Libyans are more worthy of extending help to the people of Chad. France must depart. France must be aware that it is losing materially and morally. Its presence in Chad amounts to no more than political propaganda which the rulers of France are trying to raise in the election campaign; however, it is false propaganda. As for Chad:

It cannot in any case be French. Chad's problem cannot be solved in a French way or by Mitterrand's presence in Africa. Chad is African and its problems can be solved only in the African manner. Let the colonialists depart.

11887
CSO: 4504/202

LIBYA

EXAMPLES OF DOMESTIC CORRUPTION REVIEWED

Tripoli AL-ZAHF AL-AKHDAR in Arabic 23 Dec 85 p 10

/Article by Bashir Na'san: "On 'Where Did You Get This From?'--This Is Not by the Grace of My Lord"/

/Text/ What provokes one's amazement and calls for wonderment is that while we are calling for equality and condemning all manifestations of material and moral differentiation and discrimination, at this time in which the revolution, the revolutionary forces and the masses are pulling down all the symbols and culture of the old society, these people who are trying to make the masses a beast of burden which they can ride, this scum which builds "halos" around itself every day and turns itself into a class distinct from the other Arabs of Libya, monopolizes everything, give orders so that everyone obeys, makes prohibitions so that everyone comes to a halt and speaks boastfully about the revolution and its loyalty to socialism and the power of the people, though we find that all its acts and forms of conduct embody a culture which is not that of the era of the masses. At a time in which we assert the mass nature of everything, we find it erecting barriers against the attainment of that--indeed, it blocks this aspiration. We find it embodying arrogance, dominance, presumption, boastfulness and all manifestations of immunity and self-aggrandizement.

One of these persons is a municipal conference secretary. He deigns only to ride cars whose type no Libyan Arab owns, and to have them in general painted in color of blood. We do not know the reason for that! He speaks in his private and public gatherings about socialism and the need to apply decrees on going without luxuries and manifestations of pomp, while he himself wears only clothes brought in especially from Italy and Paris. Even his type of wristwatch has not come out to our people's markets yet. We are not talking about the speeches and interruptions of this person who has recently turned himself into a "deputy" but we believe that someone who says one thing and commits the opposite action is only a /word omitted/.

You will also find others like him in certain secretariats, people's departments and companies. Everyone is building palaces, constructing villas and forming cliques and proteges who ride fast cars, wear expensive clothes of all styles and types and have all their time free to hold and arrange

soirees, banquets and so forth. Another example is an assistant secretary of a municipal conference who has an apartment and a plot of land and will soon obtain a construction loan. He may obtain it. We have nothing to say, except how did this happen?

Another example was a person in one of the municipalities who was appointed head of a service agency; he goes about, gets divorced, gets married, dissociates himself and gets involved with everything. By himself he owns a plot of land of 1,500 meters--what do you expect he will build on it?--and some fast cars. In just the same municipality there is another "grasping person" in an administrative position who has obtained a farm for his father and another for his brother in law. Foreign workers are still working on them; who can stand up to him?

Some secretaries still own slaves whom they employ as special servants to cook, clean clothes and supervise the coordination of their immune wives' affairs.

A secretary of a municipal conference, over television, on the issues program, talked about inflation in the world and the tourist villages, by which he meant the tourist village in Tripoli, although he is one of its habitual customers and pays more than 1,000 dinars a month himself for lodging in this retreat. We leave the background on this up to you!

An employee in a communications office pays 300 dinars a month to a butcher to set aside two lambs for him a day. We do not know where he takes them and what the secret is.

Another junior officer has 24,000 dinars' worth of gold!

An employee in a people's office in Latin America brought four fast cars in the past. He rents his palace out for 1,000 dinars a month to a foreign company and is preparing to assume a new position while awaiting the intentions of his cronies in the Foreign Ministry.

Another person has just come back from a people's position abroad to get a palace, overnight, while citizens wait for years to get an apartment!

Another disgusting example has been a contractor whose cronies introduced him to purchase and import channels. He drives only the most luxurious types of BMWs and Range Rovers, and the construction of his sublime palace is nearly completed.

An official at the head of an agency was observed abroad with a mistress. After that she obtained a plot of land; not a short period of time elapsed when a building of only three stories was built on it.

A member of the "dissolved" producers' federation bought a farm recently for 46,000 dinars! These are some noxious examples that the revolution did not crush after the masses of the people situated in their conference areas

learned about them. They would not have obtained all this had it not been for theft, deception and facilities. Many are those who have started to proliferate, out in the open, shamelessly. We will soon start to expose them by name, without fear of anyone, because we are not afraid of anything, lest we encourage many people to act badly, exploit positions and corrupt people's integrity by our silence.

If we do this we will have neglected our freedom and surrendered all the successes and quantum leaps which have been achieved through the action of the revolution. Since there are no "beautiful" people to the masses, we will work to amputate the tumors which are trying to overwhelm the masses, everyone who has grown rich at the expense of the masses and development will soon meet his ends and you will see the end of the birth pains of the people who have proliferated unlawfully.

We will see much. With the application of the "where did you get that from?" decree, it has become apparent that the masses realize that the skies do not rain gold or silver and they will not be deceived that that is "by the grace of my lord," because they know where the thefts come from. The people who have stolen from the masses will become aware.

11887
CSO: 4504/202

LIBYA

EXCESSIVE DEMAND FOR AIRPLANE SEATS REVIEWED

Tripoli AL-ZAHF AL-AKHDAR in Arabic 23 Dec 85 p 9

/Article by 'Abd-al-Salam Salamah: "The Passport (Office) and the Airlines--Who Is Harrassing Whom?"/

/Text/ When a person does not have a grasp of the laws or is ignorant of them, because of his age, is amazed by the technicalities that govern everything, or cannot master them, that does not mean that the law is infringing on that old man because he was born in a period when life was simpler. Rather, it treats him on an equal basis with people who are younger than him. The law does not protect the negligent.

When a person treats the laws with contempt and the caprice of youth provokes him, that does not mean, either, that the law will be lenient or tolerant with this person who has been provocative with his caprices, showing contempt toward everything, as if everything is under his thumb or mobilized to serve him alone.

When you are outside your country and representing it, other people view your country through you, that is, you are a reflecting mirror, in their opinion, reflecting the image of your country and the image of the citizen in your country.

Your respect for the law, your respect for others, your conduct and your commitment, based on all these things--when they look at you that means they are looking at your country.

I mean that the citizen outside his country does not have complete sway over himself; we have no choice in that; others take this view even if their judgment is wrong, it is still the judgment of the majority.

All negative features are accepted from anyone within his own society, but outside his country they are repudiated.

Domestically, we evaluate a person on the basis of his conduct and his ways of dealing with others. We say that one person has praiseworthy morals, and another person's morals are "uncouth." Abroad, however, the evaluation starts and does not end with the external appearance.

These pictures were taken inside the Libyan Arab Airlines building, since this building witnesses a course of congestion and suffering among citizens every day which has prompted us to comment on this problem.

Citizens visiting the fraternal country of Morocco are met with unparalleled suffering and sometimes are subject to manipulation by some people, and even though the citizens themselves are participants in this process, the proliferation of "contentious behavior" at the entrance to the airline office remains an issue which must be remedied, whatever country it may be in.

If we want to enumerate the bodies which are responsible for this matter, the passport and airline (offices) are the two people's bodies which are responsible, in addition to the citizens themselves, and if we want to attach more responsibility to either of the bodies than to the other, the passport (office) is more responsible.

There is no coordination between the passport and airline (offices).

The passport office gives out exit visas in unspecified numbers without looking at the airline's resources for transporting these people.

The airlines remove themselves from the realm of responsibility by saying "Our resources in airplanes are limited. The number of passenger planes is declining because of the embargo that American imperialism, which is lacking humanitarian features, is trying to impose!" Because this argument is largely acceptable, the responsibility remains that of the passport office in coordination with the airlines. In any case, we demand that the resources available to us be evaluated and that our ability to offer services be defined. If demand exceeds our ability, it would not be bad if we said "May God not assign more to a spirit than what it is capable of." Beyond that, the citizen must be responsible for himself.

The citizen must feel his freedom and live in dignity outside his territory as inside it. The passport office and the airlines do not have the right to turn a citizen into an evil murderer, a plundering thief or a beggar sitting down in the middle of the road to pay the expenses of his sojourn after his stipend has been used up and he has been able to find no means of transportation. We cannot be content with these ugly phenomena; no matter how great the citizen's responsibility might be, he can turn it into an argument in his own behalf and hang it on the clothes rack of the people's departments concerned outside the country, because he can not find anyone to give him warning before he leaves.

Therefore it would not be bad for the passport office to coordinate with the airlines and for the airlines to communicate with the passport office about its resources, and, on the basis of the airline's resources, for the passport office to give exit visas to any country. Isn't that better than this official harrassment from the airlines and passport office together?

Our brothers in Libya and Morocco have the right to come together, embrace one another and meet around the wedding table after they have come to understand the serious nature of the stage and have joined together in Arab-African union, as a step along the road to the attainment of comprehensive unity.

Our union does not gladden our enemies, and they do not like our constant meetings. Their hope is that some of us will go east and the rest of us will go west. What a difference there is between the two journeys!

It saddens our enemies--indeed it causes them wounds and ulcers--to see Libyans talking with and embracing their Moroccan brothers. It provokes their rancor to see Libyans visiting their Moroccan brothers in their homes and to have Moroccans exchange similar visits with them, share customs and traditions and complement one another.

Many people have been struck with amazement and very very many have been unhappy to see Moroccans sharing pieces of bread with their Libyan brothers and exchanging work sites with them. However, that is nothing wrong. We tell them that this is one of the fruits of unity.

No matter how great the negative aspects of the congestion and exchange of visits that we are witnessing on the common level between the two countries might be, and no matter how minor the preparations might be, that gives categoric proof of the depth of the relationship between brothers in the two countries and gives proof of the spirit of true affection. All negative features and all difficulties inevitably dissolve before this solidarity and sincere sentiment.

Unity is our hope, unity is our goal and unity is our path; the more the enemies rush forward and cast doubts on the edifice of the union, the more we grow in insistence and determination; the more they try to set us apart, the more we grow in solidarity. Let the auctioneers, vindictive persons and enemies die while yet unborn.

11887
CSO: 4504/202

FRG EXPERT PREDICTS EARLY EXHAUSTION OF WATER SUPPLY

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 27 Jan 86 p 13

[Article by Karl-Heinz Karisch: "Libya's Irrigation Projects Seriously Threatened By Ruthless Exploitation and Rapid Salification"]

[Text] The road is asphalted as far as Marzuq. From there on it is a track, countless ruts in the desert ground that split, separate and cross each other. An alternating rock and sand desert in yellow, white, brown and black. The hot dry Sahara air flows through the open window and a glance at the compass helps one to get his bearings. The terrain becomes smoother and, not unlike a Fata Morgana, on the horizon appear the palm fronds of Gatrun Oasis in a scintillating lake of air lying on the sand. We are now 1,300 kilometers from Tripoli in the Libyan central Sahara.

The trail gets worse. Rock desert. Neither a blade of grass nor a lichen grows here. It is not without reason that the scientists call the Sahara "hyperarid." The Arabic "bar bela ma" (sea without water) sounds kinder.

Finally we reach the small experimental oasis. Windbreak trees surround small vegetable fields. A large open water receptacle is next to the pumping station. I look forward to a refreshing bath after the dusty drive. But nothing comes of it. The water pumped that morning from a depth of 600 meters has a temperature of about 60 degrees Celsius and cools only a little by evening.

A little moisture and the desert will be green. "No, unfortunately it is not as simple as that," explains Josef Pflueger, the Munich geologist who is accompanying us. "Desert soils are structured differently from ours and they quickly become salty under irrigation. But that does not matter," adds the hydrologist sarcastically, "in 20 or 30 years there will not be a drop of water in the Libyan Sahara and the adjoining regions that it would pay to pump out anyway."

Against the warnings of competent specialists throughout the world, who are predicting an ecological catastrophe, Libya's head of state Muammar al Qadhafi--called "Brother Muammar" by his people--is betting on his dream of a green desert that will make his country independent of food imports. He is thereby counting on an American scientist who relies on computer simulations

and predicts almost unlimited water occurrences in the central Sahara. On the basis of these calculations, the desert country threw itself into the most gigantic water supply project that the earth has ever known: the "Artificial River."

This with a difficult financial background: in the last 5 years, oil income fell from DM66 billion to only DM24 billion (estimated). Since 1982, therefore, industrial and housing projects amounting to billions were canceled or frozen.

Financial circles were all the more surprised at the beginning of 1984 when Libya awarded the first contract in the amount of about DM10 billion to the South Korean firm Dong Ah Construction Industrial Company for the "Artificial River." The total costs of the project are estimated at DM15 billion; annually the Libyans must earmark about DM1.5 billion from their public treasury for this project. In July 1985, HANDELSBLATT wrote with concern: "Not a few economists are asking themselves whether Libya, whose reserves are steadily disappearing, can afford such a project."

The "Artificial River" will be a water pipeline 1,900 kilometers long, through which 4 million cubic meters of water are to be pumped daily from the underground Saharan deposits in the Kufrah and Sarir basins to the Mediterranean coastal region in the north. The construction is estimated to take 7 years and will take place in two stages. Initially 270 deep wells are to be dug and the necessary concrete pipes with a diameter of 4 meters and a length of 7 meters are to be manufactured at two newly built plants. The line will go first to Surt on the coast, where 25,000 hectares of arable land can be irrigated. In the second phase, the area around Bengasi with more than 50,000 hectares of fertile land will be developed.

In addition, the planners want to connect various industrial enterprises and newly established villages along the pipeline to the water faucets. In the final phase, the Libyans hope to be able to irrigate about 180,000 hectares of arable land for the first time.

A frequent source of wonder is the question why the Libyans could come upon the idea of pumping water to the coastal region from precisely the dryest region of their country, the central Sahara. Only experts can determine the reasons for this. They are found in the issues of the U.S. trade journal GROUND WATER, in which Moid U. Ahmed, professor for hydrology at the University of Ohio, has published his work on computer-simulated underground water models since the beginning of the 1970's. Following contracts with the Kuwaiti Government, he has advised the Secretariat of Agrarian Reform and Land Reclamation since 1974.

"Artificial River"

Based upon the repeatedly used computer model, he and his mostly Libyan students always come to the same result: in the Kufrah and Safir basins in the Libyan desert, there will be enough water for the "Artificial River" project for decades. He thereby assumes that tremendous masses of water are

flowing under the Libyan desert sand from the Tibesti Mountains in Chad and the Sudan.

It is an assumption that English and German specialists have always contradicted, because then the water "would have to flow uphill." They point out the age of the underground water as determined with the carbon-14 method (measurement of the proportion of a radioactive carbon isotope). It varies between 3,000 and 40,000 years, having seeped into the underground when there were rainy periods in the central Sahara. Moid brushes this aside, arguing that the water has absorbed carbon from old underlying rock.

How false the model calculations for the determination of underground water are was seen disastrously in the Ogallala desert region in the northwestern part of the U.S. state of Oklahoma, where experts from six involved states had forecast increasing agricultural yields through the year 2020. But underground water reserves are already exhausted.

"The models are difficult to calibrate, for one would need wells that have had results for years," is how the geologist Pflueger explains the situation. As supervisor, for many years he monitored the deep drilling for water in the Libyan desert, now saying: "In all projects, the decline in the level of the underground water was substantially more rapid than we had calculated. At other sites, the withdrawals were neglected; everyone had wanted to prove to the Libyans that his project is viable."

False Assumption

There is indeed a tremendous underground lake that extends from the Tibesti Mountains in the south to the coast but it now seems that this lake contains huge funnels. Plueger considers Moid's assertion that the water has leached old carbon from the limestone, thereby presenting a false age, to be "absolute nonsense.": "There is not much limestone in this area." Besides, one can clearly conclude from the rate of flow that the water is indeed as old as the the carbon-14 method indicates.

Plueger uses dry facts to foretell the development of the next 30 years. Accordingly, the salt water stored up in underground lentils, which does actually exist, will mix with the underlying fresh water. The pumping out of the water will cause the particle structure of the strata to harden. It will then become increasingly unprofitable to pump the water to the surface from deeper and deeper strata.

In the vicinity of the large oasis Sabhah, in which about 50,000 people live, salt water has already seeped into some deep wells. In the next decades, according to Plueger, the existing "natural vegetation" will die out and "it will end in a total ecological catastrophe for the Sahara."

Before that, however, another enemy will strike hard. An enemy that has already seen the bloom of the Sumerian empire between the Euphrates and the Tigris fade and die under glittering white crystals: salt.

For various reasons, salt migrates to the surface in desert regions. Whereas in our latitudes rain continually washes the salt out of the soil, the ground water in the Libyan desert moves from the bottom to the top, whereby in part centimeter-thick salt crusts form in the soil.

In the area of the Libyan project, this salt horizon lies about 1.5 meters below the surface; even at this depth, the ground water begins to evaporate and to deposit salts. Artificial irrigation dissolves these salts. They reach the surface through "capillary ascent" and there, because of the strong evaporation, they are again deposited when no provision is made to carry off the initially only slightly salty water through drainage. The water supply is not adequate for this, however. The salt is deposited and the cultivation of useful plants soon becomes impossible.

This is what has occurred in the project Wadi Aril near Sabhah. With the flushing of the soil, whereby tremendous amounts of valuable ground water are used, an attempt is made to wash out the salt.

But even when the soil was classified as low in salt--the soils are now subjected to a more accurate chemical analysis--the rapid salification of the Libyan agricultural projects cannot be stopped, for the underground water naturally contains a small amount of salt. And whereas, for instance, the Israelis in the Negev Desert tend their plantings with special hoses that transport small amounts of water directly to the roots and protect against evaporation with plastic sheets, the Libyans waste the precious liquid.

Because the Israelis have the patents for water-saving cultivation methods, the Libyans naturally refuse to employ the methods of the "Zionist enemies." So they spray the water into the air in the "bone-dry" Sahara, where temperatures rise to 50 degrees Celsius in the summer months and humidity falls below 5 percent. Soil scientists estimate that about 80 percent of the water is lost through evaporation but the salt that it contains remains. In the standard work "Lehrbuch der Bodenkunde" [Textbook of Soil Science] by Scheffer and Schachtschabel, it is lamented that vast areas in India, Iraq, the United States and Egypt have already become "completely unproductive" through these false irrigation methods.

In the 1970's, the Berlin geologist Prof Eberhard Klitzsch forecast the end of natural life in the Libyan Sahara. For more than two decades, he investigated the geological formations there and in 1978 he characterized the exploitation of the underground water as "ruthless": "In the foreland of the coastal mountains of northern Libya, the ground water reserves have been strained so far beyond the ground water renewal there that irreparable damage seems inevitable." In many oases, just a slight decline in the water table has already led to the beginning of the dying out of the vegetation.

But as long as the oil billions are still flowing, they are going ahead and building whatever was ordered. All of this has nothing to do with morality or responsible thinking. The laws of capitalism are in effect: "If we do not build it, another firm will."

Geologist Plueger already predicts that the Libyan pumps will also cause the wells in the Sudan and Egypt to dry up. He says sarcastically: "In 20 years, all of those who are now building that and who have responsibility for it will be out of the country comfortably enjoying their pensions."

9746
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TUNISIA

STUDENTS HOLD PRESS CONFERENCE ON DISTURBANCES

Islamic Tendency Group

Tunis LE TEMPS in French 9 Jan 86 p 2

[Article: "University Incidents: Islamist Students' Press Conference]

[Text] A student of Islamic tendencies held a press conference at the university campus yesterday evening.

Recent events which have taken place in various parts of the university, the Islamic students' position on the closing of certain faculties and institutions of higher education, the restructuring of the Tunisian University--such were the principal questions raised in the course of this press conference.

Speaking of the plans advanced by the minister of higher education, the Islamic students consider that he is aiming only at reinforcing the policy of selection.

Dealing with the closing of certain schools and faculties, the Islamic students' representative proclaimed the gravity of the present situation and the fatal results it will have on student life. They also specified that 5 Islamist students were wounded, 40 others arrested, and some drafted in the wake of last Thursday's confrontations between students and police.

Concerning the relations between the Islamic Tendency Movement and the other political currents represented within the University, the group emphasized the degree of dispersion presently experienced in university life, which prevents any coordination or joint activity.

Concerning the events that took place yesterday at the theology faculty, a female student of the Islamic Tendency who experienced the incidents explained that the latter began when a Destourian student was hunted down by fellow students, which led the police to invervene and disperse the demonstrators,

Destourian Student Group

Tunis LE TEMPS in French 10 Jan 86 p 2

[Article: "Destourian Students: Incidents Were Provoked by Extremists"]

[Text] The Destourian students held a press conference yesterday afternoon in Tunis. The incidents that have occurred recently in certain parts of the university, the closing of certain schools, and the problems the university is presently facing, especially the difficulties experienced by students at the theology and liberal arts faculties, were the main questions raised in the course of this conference.

The Destourian students denounced the acts of violence and aggression committed on Wednesday, 8 January, at the theology faculty by groups of "extreme right tendency." These acts of violence, which took on the aspect of torture, were perpetrated on the persons of Destourian students in accordance with "sentences" pronounced by certain extremist students.

The execution of these "sentences" was "entrusted to persons some of whom were even outsiders to the faculty."

Entry to and exit from the faculty was cut off for Destourian students so "that they were hemmed in and trapped."

This situation provoked tension and a veritable psychosis at the theology faculty. These incidents are not isolated acts, the Destourian students added, pointing out that they form part of a whole series of provocations carried out by extreme-rightist groups whose goal is the "physical extermination" of the Destourian students.

On Monday, 6 January, two Destourian female students were also victims of outrages; these aggressions fall into the category of "reaction" against the incidents that took place at the liberal arts faculty. As to the causes of these agitations and of the tension reigning at the university, the Destourian students advanced the hypothesis that the incidents which took place last Wednesday constitute a reaction to "avenge the dean of liberal arts" or "a plan" conceived by the extremists in order to weaken or "annihilate" the presence of Destourian students on the university scene.

The Destourian students denounced the "terrorist" acts, those who carry them out, and those who encourage them, and expressed their insistence on exercising their right to affirm their presence at the university, just as all other political tendencies do.

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TUNISIA

NEW BILL PROPOSES UNIFYING LEGISLATION FOR NATIONAL SERVICE

Tunis LE TEMPS in French 27 Jan 86 p 1

[Article: "Military Service: What's New?"]

[Text] A new bill currently under study proposes unifying legislation on military service and on civilian service and in particular to abrogate the law relating to individual assignments, considered inadequate in actual practice.

According to the minister of national defense, the new bill emphasizes the new concept of national service based on the dual principle of equality and universality, within the scope of global defense.

After receiving basic military training, according to the new concept, employment in development units, in public institutions, and in units of domestic security forces is considered a form of fulfilling ones national obligation, the same as military service.

In applying this concept, conscripts will be assigned after having received basic military training, either to military units, to units of the domestic security forces, to development units, to public institutions within the country or abroad, or within the scope of technical cooperation. We also have learned that while the length of military service remains one year, as before, after the first 3 months of basic military training, the interested person may be assigned to one of the following sectors:

-- the army;
-- domestic security;
-- economic institutions;
-- public service and related organizations;
-- international cooperation.

Student Deferments

Concerning students, the new measures under study could reduce the maximum age for deferments to 27 years instead of 30 years. Actually, few students complete their studies after the age of 27. Generally, the former student marries and becomes a father between the ages of 27 and 30 which leads him

to ask to be released from military service because of family obligations. As a result, enrollment in the army will be obligatory at 27 years, although deferment for higher studies will remain valid.

Furthermore, for greater equality and universality in the concept of national defense, the bill under study annuls the right to deferment for children of members of the resistance and for workers emigrated abroad.

Finally, it is to be noted the bill provides in its transitional provisions--considering the limitations of material and training resources for national defense--that all young persons born before 31 December 1963 will be definitively released from military service, although they will remain at the disposal of the reserve army.

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TUNISIA

POSSIBLE EFFECT ON ECONOMY OF OIL PRICE DECREASE

Tunis LE TEMPS in French 27 Jan 86 p 4

[Article by RBR: "Petroleum Prices Adrift. What Effects on Tunisia?"]

[Text] After a week which witnessed a sudden drop in prices on the petroleum markets in turmoil, petroleum prices are adrift and the way is now open for a reverse petroleum set-back, this time for the benefit of consumers. However, despite prospects for a drop by one-third in the revenues of exporting countries, OPEC does not seem disposed to attempt to stabilize petroleum prices.

The hydrocarbons sector plays a key role in the Tunisian economy although its importance has been declining from year to year. It is of cardinal importance for exports. In 1985 it earned 40 percent of the value of Tunisia's exported goods and 26 percent of the total value of exports (goods and services). Nevertheless dependence on petroleum has strongly decreased since in 1981 these proportions were 53 percent and 37 percent, respectively. For purposes of comparison one should note that in 1985 petroleum provided one and one-half times the total receipts from tourism, and more than double the value of sales abroad of phosphates and other chemical products.

It must be pointed out that while Tunisia is an exporter of petroleum products, it also imports them. Actually, the overall commercial balance in the energy field is favorable. Nevertheless, by the year 2000 it will be unfavorable because of depletion of the deposits under exploitation and the increase in consumption.

Petroleum "Difficulties" in 1986

Among the definitely acute difficulties within the developmental plan for the year 1986, the petroleum difficulty is a major factor. It says in the economic budget that "in the light of recent information on the potential of deposits currently in operation, it is assumed that there will be a new decline in crude petroleum production (from 5.3 million tons in 1985 to 5 million tons in 1986) which, taking into consideration the evolution of energy consumption (+ 5 percent), and the trend toward decline in petroleum prices, will be expressed in a strong reduction in the surplus for export, the latter declining from 292 million dinars to around 200 million dinars in

in 1986 alone, or a reduction of around 32 percent from one year to the next. It is stated that these hypotheses assume a reduction of one dollar per barrel, with an exchange rate of 800 millimes to the dollar, as against an an average of 850 millimes in 1985. For purposes of comparison it should be noted that last year, taking into account the trend toward reduction in export prices ($2 less per barrel) although the American dollar continued at a high level, a smaller decline in production had the effect of reducing noticeably the commercial balance surplus in the hydrocarbons sector: from 347 million dinars in 1984, it dropped to 292 milloin dinars in 1985.

What Will Be The Effects Of The New Decline?

It is indisputable that the fall in the price of petroleum, combined with the decline in the dollar, will cause a noteworthy diminution in petroleum revenues. The "capital loss" of 100 million dinars written in the forecasts will necessarily be greater. Thus aggravated, the petroleum difficulty increases the tensions affecting the balance of payments.

Although it is too early to put a figure to this supplementary lack of earnings, taking into consideration the other difficulties (reduction in transfers of income from abroad and the deterioration in the terms of trade) it appears that the only possible way to envisage fulfilling the objectives set forth in 1986 remains the narrow path of promotion of exports and tourism. The two sectors ought to progress at a better rate than attributed to them and this is the opinion of very ambitious specialists. "There should be no illusions, the year 1986 will be very difficult," we wrote in setting forth the principal lines of the economic budget.

With the fall in the price of petroleum this assertion gains force--rigor and austerity as well.

Finally, should one expect a stabilization or a decline in the price of fuel for consumption? There, too, an answer seems to be premature, although it is difficult to see, under the very difficult current economic situation the country is experiencing, how the state would agree to a reduction in its revenues.

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TUNISIA

BRIEFS

TRADE AGREEMENT IMPLEMENTED--At the government palace at the Kasbah on Monday, Mr Mohamed Mzali, prime minister and interior minister, received the delegation which is to go to Beijing on 13 January to put in force the trade agreements reached by Tunisia and China within the framework of the agreement signed by the two countries on the occasion of Mr Mohamed Mzali's visit to China in October 1984. This delegation will include representatives of the Sfax-Gafsa phosphate corporation, of the phosphate fertilizer corporation, of the Wheat Office, of the Commerce Office, of General Textile Industries Company, as well as a representative of the international cooperation department of the Foreign Affairs Ministry. The prime minister had to lavish his instructions on the delegation member concerning the trade program between Tunisia and China which will be implemented on a barter basis. Thus, Tunisia will import wheat, cotton and tea from China and will export phosphate fertilizers to that country. The prime minister emphasized in this connection President Habib Bourguiba's anxiety to intensify commercial relations with this friendly nation in 1986. [Text] [Tunis LE TEMPS in French 8 Jan 86 p 2] 13070

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BAHRAIN

LIBERATION FRONT LEADER DISCUSSES RAMIFICATIONS OF OIL CRISIS

Nicosia AL-HURRIYAH in Arabic 12 Jan 86 pp 29-31

[Interview with 'Abdallah al-Rashid, member of the Bahrain National Liberation Front's Command Committee, by Zakariya Muhammad and Jum'ah al-Khalafi: "Oil Crisis May Loosen Grip of Oppression in Gulf; We Do Not Exclude Possibility of Iraqi Role in Attempt on Life of Amir of Kuwait; Disagreements Between Oman and Saudi Arabia Have Played Role in Omani Opening to Soviets"]

[Text] The Bahrain National Liberation Front is one of the active progressive groups in the Gulf area. Bahrain, despite its small area and population, is one of the more progressive emirates insofar as its youth's education and culture are concerned and one of the more reactionary insofar as its rulers are concerned, considering that these rulers are extremely subservient to U.S. policy and that they "host" U.S. military bases. Moreover, Bahrain has been the arena for an early labor movement that has had its role in influencing labor, union, and political activity in other Gulf countries.

AL-HURRIYAH conducted the following interview with 'Abdallah al-Rashid, member of the Bahrain National Liberation Front's Command Committee, on the conditions in the Gulf, on the Iraq-Iran war, and on the area generally in light of the background of declining oil revenues and of the signs of an economic crisis of a special kind--a crisis which will have its ramifications on numerous Asian and African countries whose reactionary regimes have been receiving aid from the Gulf oil-producing countries.

[Question] Let us begin with a question on the oil crisis which has caused a drop in oil prices and on this crisis' impact on the Gulf area and the Arab Peninsula.

[Answer] The crisis currently experienced by the GCC [Gulf Cooperation Council] member states had come as a result of imperialist plotting and monopolies, especially of U.S. imperialism, with the consent of Saudi Arabia. This plotting has weakened OPEC (founded in 1960).

The rise in oil prices was a result of the Arab people's struggle to gain control of their basic resources. But we must not forget that at the outset, American imperialism tried to exploit OPEC. Imperialism decided that a soft approach toward raised oil prices would serve its schemes: first, it would strengthen the Saudi and Iranian (the shah's) regimes economically, thus

enabling them to perform their role as the policeman protecting imperialism's interests. Second, raising oil prices would enable the United States to dominate West Europe and Japan and to control the course of their policy.

Moreover, the Gulf countries have not been able to exploit the surpluses they have formed and these surpluses have gone to U.S. banks to play their role in boosting the U.S. economy and developing its war industry.

U.S. imperialism has also converted some of these surpluses into loans and capital for the developing countries, thus gaining a greater ability to control these countries.

As a result of the increase in the GCC member states' revenues, there has been an economic "revival" and the regimes have tried to exploit this revival to divert the masses' attention, to disseminate the Western pattern of consumerism, to dilute the class struggle, and to waken the working class quantitatively and qualitatively by transforming it in part into a small and medium bourgeoisie.

Some of the oil surpluses have gone for major weapons purchases that exceed the needs of the area's armies and that include weapons which are so advanced technologically that these armies cannot use them. For example, the estimates of the GCC member states' weapons deals for 1985 amounted to $28 billion.

Iraq's embroilment in the war against Iran has wiped out some of the oil revenue surpluses. Iraq has been getting $1 billion dollars a month from the Gulf states to finance its war.

So it can be said that the benefit derived by the area's peoples from the oil upsurge is a partial benefit. The major beneficiaries have been imperialism and its monopolies, the ruling families, and their close associates among the big bourgeoisie, especially the compradors.

It can also be said that the current economic crisis in these states is having its negative ramifications on the area's peoples, especially on Bahrain. Numerous large- and medium-size projects have been frozen, numerous local companies and contractors have gone bankrupt, and the working class and toiling masses are shouldering the consequences of this crisis. The subsidies for essential consumer goods have been eliminated, wages have been reduced, prices have risen, and unemployment has spread.

[Question] Does this crisis have any connection with some changes in the position of the Gulf states toward the Iraq-Iran war--changes which emerged in the latest GCC summit?

[Answer] Iraq got itself involved in the war against the Iranian revolution because of its own calculations. U.S. imperialism and the Gulf reactionaries encouraged Iraq for the purpose of destroying the Iranian revolution and its influence on the area. These reactionary regimes thought that the war would not last long and that the Iranian revolution would be destroyed rapidly. But the war has gone on for a long time and its consequences have hit the GCC member states. The war has expanded to include the entire area through the tanker war, which affects the transportation of oil and of imported goods, not to mention its political and economic consequences to the area's countries.

The drop in oil prices has, moreover, put these countries face to face with difficult options. The masses have become accustomed to a lifestyle which cannot be maintained in the presence of this crisis. The Gulf states cannot supply Iraq with financial aid as they did in the past, especially since this aid drains nearly $1 billion a month.

This does certainly have its role in bringing about changes in the position of these states toward Iraq and toward the continuation of this unjustified war.

These states' position toward the war is truly contradictory. While they support Iraq politically and financially, these states want at the same time to mediate with Iran. What is more, they ask the Soviet Union to exert its efforts to end the Iraq-Iran war at a time when they, with the exception of Kuwait, have no diplomatic relations with the Soviets.

This unrealistic policy has created contradictions within the GCC. Moreover, the position of the national and progressive movement in the Gulf and Peninsula area and of the area's peoples who reject this war because of its negative and serious consequences, especially in terms of bolstering the U.S. and NATO military presence in the Gulf area, and the demand by the nonaligned countries and by the socialist bloc countries that this war be ended peacefully and without any annexations--this position and this demand have put pressure on the Gulf states. At the sixth summit which convened in Oman, the GCC was compelled to make changes in its position toward the war. These changes are reflected in the political communique issued in Muscat. However, we do not exclude the pressures put by Iran on the GCC member states to make them modify their position toward the war and to take a neutral stand in return for establishing good-neighbor relations with these states and for the agreement by some of these states to modify their position.

[Question] What is your information on the explosions that took place in Kuwait last year?

[Answer] Our party and most of the Gulf and Arab peninsula national forces denounced the wave of explosions to which Kuwait was subjected. Those explosions were aimed at the innocent fraternal Kuwaiti people and against the democratic experience of Kuwait and the rational aspects of Kuwait's foreign policy, which have had a positive impact on the struggles of the Gulf and Peninsula peoples. This is why imperialism and reaction exploit the difficult circumstances experienced by Kuwait as a result of its proximity to the war front to push their agents to perpetrate such explosions with the aim of destroying Kuwait's position which is distinguished from the position of the other GCC states. Moreover, the Iraq-Iran war has its impact on the situation in Kuwait because of Kuwait's proximity to Iraq and Iran. Irresponsible acts are perpetrated against Kuwait by elements belonging to this or that country with the aim of putting pressure on Kuwait. However, we do not exclude the possibility that elements belonging to Iraqi intelligence were behind the explosions which occurred, including the explosion to which the motorcade of the amir of Kuwait was subjected. All the explosions that have taken place in Kuwait serve the imperialist interest.

[Question] Why has Oman been a forerunner in building diplomatic relations with the Soviet Union even though it is the most reactionary Gulf state?

[Answer] The information at our disposal is that there is disagreement with the GCC. There are problems between Oman and Saudi Arabia over the borders. Moreover, there is competition between the two sides on who should play the major role in the area. This has resulted in the emergence of what seem like axes, such as the Oman-UAE axis which is sympathetic to Kuwait. Furthermore, the disagreement between the two countries on the position toward the Iraq-Iran war and the peaceful coexistence policy adopted by Democratic Yemen toward the area's states with their different political systems have had a major impact on the establishment of diplomatic relations between Muscat and Moscow. This situation has made Oman and the other GCC member states realize the necessity of establishing diplomatic relations with the Soviet Union. The policy of unilateral diplomatic relations with the Western countries is a policy that has not been validated by experience, especially since the Soviet Union, with its might, follows a foreign policy which supports the Arab peoples in their confrontation against the Zionist enemy and which especially supports the Arab Palestinian people. The peace initiatives made by the Soviet Union to transform the Gulf into a peaceful area free of imperialist military bases and the Soviet demand for putting an end to the Iraq-Iran war, which the Soviets consider deterimental to the Iraqi and Iranian peoples' interests and beneficial to the imperialist interest, are factors that made Oman establish diplomatic relations with the Soviets, with the UAE following in Oman's footsteps. But the main factor in these developments is the national and progressive movement's demand and the area peoples' desire for establishing diplomatic relations with the Soviet Union and the other socialist countries. The national forces have raised this demand and struggled for it for a long time.

[Question] Do you think that Saudi Arabia has been opposed to relations with the Soviet Union or did it give Oman the go-ahead signal?

[Answer] In the wake of announcement of relations between the Soviet Union and Oman, Prince Sultan, the Saudi minister of defense, declared that Saudi Arabia will not establish relations with the Soviet Union unless the latter changes its position toward Islam. But a week after this statement, Saudi Arabia received a slap, rather a refutation of all its lies and fabrications, by the UAE's announcement of its establishment of relations with the Soviet Union.

[Question] Are there Bahraini statements indicating the possibility of establishing relations with the Soviet Union?

[Answer] We want Prime Minister Khalifah ibn Salman and the other Bahraini officials to respect their statements. If they say that it is necessary to establish diplomatic relations with the Soviet Union, then what prevents them from doing so? We are fully confident that our Bahraini people, our party, and the other national forces that are proud of their friendship with the Soviet people and of the Soviet people's important role in supporting the Arab national liberation movement and in defending peace as the noblest issue concerning mankind are capable of establishing these relations soonor or later.

[Question] Let us return to the issue of the economic crisis and its effects on the internal conditions of the GCC member states.

[Answer] What draws attention is that the oil upsurge in the Gulf area and the Peninsula has been coupled with a large-scale reactionary-imperialist onslaught launched under the pretext of safeguarding the Gulf's security. At the outset, this onslaught hit the Omani revolution, which was led by the Popular Front for the Liberation of Oman. This was done through the shah of Iran and the Jordanian regime. Then the Bahraini National Assembly was dissolved in 1975 and blows were dealt to the national movement. In 1976, the Kuwaiti National Assembly was dissolved and the Kuwaiti national movement was contained.

The objective of this onslaught was to strike the area's revolutionary tide and to put obstacles in the face of communication with Democratic Yemen, the bright star in the Peninsula's sky. Terrorist campaigns, including oppression, arrests, and the liquidation of strugglers, and special laws were instituted in most of the Gulf and Peninsula countries. But the rope of terror is short and the peoples' struggle is more powerful.

The current economic crisis is capable of destroying the jellylike situation that has arisen and created false prosperity in the Gulf and Arab area. This offers the area's national and progressive movement new horizons to work for intensifying the crisis faced by the Gulf's reactionary regimes. Early signs of the changes that have begun are embodied in the triumph of the Kuwaiti national forces in the National Assembly elections and in the demand by the UAE's public interest associations for a permanent constitution that guarantees public liberties and for a national economic policy free of the control of the imperialist monopolies. This is in addition to the growing political role of the National Front for the Liberation of Oman and to the masses' rallying behind this front. As for our country, Bahrain, there are signs of a revival which the government is trying to obstruct through daily acts of oppression and arrest. But our party and the other parties to the national movement will dictate their demands and objectives.

[Question] What about the effects of the oil crisis beyond the Gulf area and the Arab Peninsula?

[Answer] The crisis experienced by the GCC member states has its negative impact on the reactionary regimes of the countries of the so-called crescent of crises, which begins with Pakistan, passes through Turkey, and ends with Somalia. The aid flowing to these countries and to the dictatorships in Thailand, the Philippines, and Korea through projects and through labor imported with the aim of bolstering these countries and of developing their defense and security agencies that are used against the struggles of their peoples cannot continue as in the past. This will open broad horizons for the national liberation movement in these countries. The early signs of this impact have begun to show on this crescent, whose links have begun to break up. Numayri's regime in Sudan has been eliminated and Egypt and Pakistan are experiencing numerous internal crises. On the other side, the regimes to which the Gulf reactionary regimes are hostile, such as Democratic Yemen, Ethiopia, and Afghanistan, are gaining strength.

[Question] What is the nature of your relationship with the religious tendencies in Bahrain?

[Answer] At the outset, the Iranian revolution had positive effects on the situation in our country. In the wake of the revolution's inception, the religious tendencies already existing in Bahrain and with which we cooperated during the National Assembly period gained strength. After the Iranian revolution's triumph, we extended our hand to the enlightened religious elements--especially since we agree with some of their slogans, such as the slogans of hostility to imperialism and of defense of the toilers' interests--even though they raise some slogans with which we disagree. We exert efforts to strengthen the cooperation but there are numerous obstacles which we will work to surmount in the interest of engaging in joint struggle and of achieving our people's objectives of full independence and democracy.

[Question] The security and military issue was discussed by the latest GCC meeting. What has actually been agreed on?

[Answer] Saudi Arabia submitted to the GCC member states a security treaty including a provision that permits any state to penetrate to a distance of 20 km inside the borders of another member state. Kuwait rejected this provision because the beneficiary would be Saudi Arabia. This is why agreement was reached at the Oman summit on the so-called "security strategy," which is founded on an individual and a collective basis and calls for cooperation and coordination between the security agencies in exchanging information on and pursuing the national opposition through a computerized repository. Every Gulf citizen has an identity card stored in this repository and all this is done through coordination with the imperialist intelligence agencies which supervise many of the security agencies of the Gulf states.

Militarily, the GCC member states are tied to the military strategy of U.S. imperialism and of the other NATO countries through their military presence and arms deals and through the militarization of the GCC member states and of the conditions in these states by way of the military cities. The crown princess--future rulers--are the ministers of defense in most of these states. The "strategic defense" treaty was approved at the GCC's sixth summit and steps have been taken to form the Gulf rapid deployment force and to conduct joint bilateral and collective military exercises which ultimately serve the interest of the imperialist strategy and its schemes that seek to transform the area into a bridgehead for aggression against the Soviet Union and the progressive and nationalist Arab countries, such as Democratic Yemen, Libya, and Syria, which are faced with aggression and threats from U.S. imperialism.

Therefore, the tasks facing our party, namely the Bahrain National Liberation Front, and the other national forces in Bahrain are the same tasks facing the national and progressive movement in the GCC member states: liquidating the U.S. military presence, ending the Iraq-Iran war, exposing the military and security tendency of the GCC member states and liberating the oil resources from the grip of the imperialist monopolies. In our country, Bahrain, the main task is to struggle for democracy, to restore the constitution, to defend the toilers' interests, and to strive for an independent and nonaligned foreign

policy and for establishing relations with all countries, especially with the Soviet Union and the socialist countries. Our party and the other national parties in Bahrain also struggle to put an end to the campaigns of oppression and intimidation, to end torture, to release the detainees, and to repatriate the exiled and the homeless.

[Question] Finally, how do you view the solution to the PLO's current crisis?

[Answer] The situation experienced by the PLO is difficult and complex. This situation is a consequence of the invasion of Lebanon and of the policy of the rightist faction, which has lost confidence in the possibility of overcoming hardships by relying on the masses and which has violated the national consensus by visiting Cairo, by convening the Amman congress, and by concluding the February agreement with Amman--an agreement which is tantamount to relinquishing sole representation and to ceding the independent state.

The current Palestinian situation requires unity among the Palestinian forces that oppose the Amman agreement and the capitulationist course and that cling to the resolutions of the Palestinian National Councils, especially the resolutions of the 16th session, which reflect the national consensus. This situation requires a dialogue in order to develop a joint program to restore unity to the PLO and to isolate the forces that abandon the national course. The forces rallying behind the national course enjoy the support of the Arab national liberation movement, of the Soviet Union, of the socialist countries, and of all the freedom- and peace-loving peoples.

We are confident that all Palestinian nationalists will move fast toward dialogue in order to support their people in the occupied territories who face the "iron fist" policy and the policy of job separation.

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NATIONAL ASSEMBLY SPEAKER DISCUSSES WAR, FOREIGN RELATIONS

London AL-TADAMUN in Arabic 25 Jan 86 pp 10-11

[Interview with Sa'dun Hammadi, National Assembly speaker, by Ibrahim al-Burjawi: "Dr Sa'dun Hammadi, Iraqi National Assembly Speaker, to AL-TADAMUN: We Have No Objection to Jordanian-Syrian Rapprochement; Arabs Have Not Supported Us to Desirable Level; Saudi Arabia Refuses To Develop Its Relations with Tehran Before War Issue Is Settled"]

[Text] Baghdad-Iraq builds its relationship with the Soviet Union on a long-range strategic basis. There is now in Moscow a new and different leadership and this had dictated a summit meeting between Iraq and the Soviet Union. Moscow has decisively underlined its opposition to the use of Soviet weapons by Iran in its war with Iraq. The Iraqi-Syrian meeting ended in neither success nor failure. There were agreement and disagreement in the Iraqi-Libyan meeting and the Libyan delegation was not empowered to make any decisions. We bless what has happened between Jordan and Syria and there is nothing to affect our position of support for the PLO. The Arabs' position toward our war with Iran has not risen to the level of the Arab League charters. Iran has lost the war militarily and our objective is now to destroy its economy so that it may not continue in the war. Saudi Arabia has refused to develop its relations with Tehran before the war issue is decided.

These are the bannerlines of this important interview which Dr Sa'dun Hammadi, the Iraqi National Assembly speaker, the Socialist Arab Ba'th Party Regional Command member, and the ex-minister of foreign affairs, gave AL-TADAMUN in Baghdad. The interview was opened with the following question:

[Question] Let us begin our interview with the latest developments. What, in your opinion, are the reasons which motivated President Saddam Husayn to pay this surprise visit to Moscow? On the occasion, how are Iraqi-Soviet relations? (President Husayn was in Moscow at the time of this interview.)

[Answer] Our relations with the Soviet Union are long-range relations. They are constant, not just in the political but also in all the economic, and military spheres. The war has prevented the holding of high-level talks between the two countries and a long time has passed since a meeting was held between the Iraqi and Soviet heads of state. Because the Soviet Union now has a new leadership that is apparently like no other leadership and that is vigilant and has numerous tasks, it is beneficial and necessary for such a summit

meeting to take place in order to continue the tradition we have followed with this friendly country and to get acquainted with the new Soviet leadership. Even though I am not there, I am certain that the meeting will discuss economic, cultural, military, and political relations in their entirety and all other issues between the two countries in a manner similar to what happened in past meetings.

[Question] It is reiterated in international news reports that Soviet weapons have been found in the hands of the Iranians during the war and that the source of these weapons is either Syria or Libya. How do you interpret this in light of the Iraqi-Soviet friendship and of the good relations between Baghdad and Moscow and, subsequently, between Moscow and both Damascus and Tripoli?

[Answer] For the Iranians to be in possession of Soviet weapons coming to them from Syria and Libya is something expected and actual. We discussed the issue with Soviet officials and they assured us decisively that they are unaware of and displeased with the flow of these weapons from Syria and Libya to Iran.

[Question] What point have the efforts of the Committee To Clear the Arab Atmosphere, which emanated from the latest Casablanca summit, reached in connection with Iraqi relations with both Syria and Libya? Moreover, what is your opinion of what has been achieved by these efforts at the level of the Syrian-Jordanian reconciliation and of the impact of this reconciliation on Jordanian-Iraqi relations?

[Answer] A single meeting was held at the border at a non-political level to discuss relations with Syria. Both sides expressed their wish to discuss these relations and to find a means to normalize them. The two sides disagreed on other issues and the meeting ended in neither success nor failure. They also agreed to meet again but this meeting has not taken place yet. As for Libya, a round of talks was held in Morocco, and bilateral relations between the two countries and the complaints of one side against the other were discussed. There were close viewpoints on certain issues and other issues continue to be pending between us. The Libyan delegation stated that it was not empowered to sign what was agreed upon as a result of the talks. The meeting ended with the provision that the two sides meet again after consultations between the Libyan delegation and its government. I do not believe that there is any new development in connection with this issue. Jordanian-Syrian relations have made greater strides than Iraqi-Syrian and Iraqi-Libyan relations. We have no objection to what is developing between Jordan and Syria and we have expressed to the Jordanian government our blessing for any relationship it wishes to develop with any Arab country. I cannot ascertain what impact this relationship will have on the Syrian regime's position vis-a-vis the Iraq-Iran war but I do hope that these relations will influence the Syrian regime to reconsider its calculations regarding this war.

[Question] Lieutenant General Khayrallah, the Iraqi minister of defense, said in a press statement that the Arabs have not risen to the desirable level in their position toward Iraq in its war against the Persians. Khayrallah did not mean by these words Syria and Libya whose position he said is treasonous.

What is your opinion of this and how do you see the relationship between Iraq and the GCC member states and, consequently, between these states and Iran, particularly in the wake of the latest GCC summit and of the recent Iranian movement toward Saudi Arabia?

[Answer] We are all aware of Syria's and Libya's position toward this war. As for the others, their position has varied, though it is not devoid of cooperation with Iraq. But if you ask me if this cooperation and support have been at the desirable level, then I will definitely say no because the desirable level is the level dictated not just by the pan-Arabist relationship but also by all the Arab League charters and by the Arab joint defense treaty. Our relationship with the GCC member states is a good, firm, and fraternal relationship. The Iranian movement toward Saudi Arabia is a malicious movement encouraged by Syria's and Libya's position, which seeks to drive the GCC member states and Iraq apart. We have learned that Iran's endeavors have failed and that the Kingdom of Saudi Arabia has refused to develop bilateral relations before the question of ending the war is discussed.

[Question] Where does Iraq stand economically now and how has it been able to balance war necessities with building and construction needs?

[Answer] Iraq has gone through three phases to overcome the inconvenient economic conditions created by the war. First, it has reconsidered its development program, establishing it on sound supply bases, changing the priorities, and postponing what is not essential. This means that Iraq has rationalized its development program.

Second, throughout more than 2 years of effort, Iraq has rationalized the current state spending through a higher economic committee embodied in the Economic Operations Chamber. I wish to say on this occasion that what Iraq has achieved in this regard will be beneficial during and after the war because we have learned a lot about how to avoid waste in public spending. We will never regress from what we have learned. Iraq has been able to involve the people in the austerity measures which our people have received with patience, a sign of welcome, and a high patriotic spirit. But whether in rationalizing development or in rationalizing current spending and consumption, the country has maintained a reasonable minimum limit of development and social welfare. The third phase was to find new outlets for public resources, especially oil resources. The oil exportation pipeline via Syria has been fully dispensed with for a long time to come by creating a new outlet via the Kingdom of Saudi Arabia, by expanding the shipping capacity through Turkey, and by building a new pipeline through Turkey. These projects have begun to bear fruit and the oil export graph has begun to rise. Through these three lines of economic and financial action, Iraq has been able to overcome the circumstances emanating from the rising military expenditures and from the drop in the oil exports via Syria. I can say now without any exaggeration that our economic and financial policy has achieved almost full success. We act now on the basis that there is no financial or economic problem.

[Question] Iraqi officials have stated that the Iraqi army's objective in this phase of the war with Iran is to destroy Iran's economy. What is your evaluation of this objective and what are its motives?

[Answer] I believe that what is intended by this is to paralyze Iran's oil export capacity because Iran's oil constitutes the major part of Iran's source of foreign currency. With this foreign currency, Iran can purchase weapons and perpetuate the war. The Iranian oil industry will be the target of the Iraqi military effort and we will work with all our ability to destroy this industry and to prevent Iran from exporting its oil to the outside world if Iran fails to agree to peace negotiations to settle the problems pending between the two countries. This is normal because in war the efforts must be focused on paralyzing the enemy's strength. Our enemy's strength does not lie in his military force because the limitations of this force have become known and its weakness has been exposed. With these limitations, this force can never achieve military victory over Iraq. Therefore, Iran's capacity to continue the war emanates from its ability to export oil and not from the efficiency of its military force. This force is almost totally demolished, both materially and morally.

[Question] In the wake of the Israeli attack against Tunisia, Iraq launched a new movement, in which you played an effective role, with the aim of reuniting the Arabs and of reviving their solidarity in order to confront the ferocious Zionist onslaught. Where has this movement reached and what are the hopes you attach to it in this tense climate between the Arab regimes?

[Answer] We took several steps in this regard. Iraq protested what the United States had done in this connection by supporting Israel in its strike against PLO headquarters in Tunis and by hijacking the Egyptian airliner. We also agreed to hold meetings in response to the appeals of the Commendable Efforts Committee. We held meetings with Saudi Arabia and Libya and acted positively. We always seek to normalize the relations and to unite the Arab ranks. Our assembly also invited the Arab parliaments to embark on collective Arab action and protest. The meeting was held in Baghdad and proved a success. We move on the basis of taking a positive stance toward all the well-meaning and sincere Arab initiatives in this regard.

[Question] Are Iraq's relations with the PLO influenced by the deterioration afflicting the PLO's relations with Jordan?

[Answer] No. Our support for the PLO is constant and has not changed because the PLO is a legitimate organization struggling for the Palestinians' rights. I do not think that our relations or the relations of any other Arab country with the PLO should be influenced. The PLO must stay clear of Arab bilateral relations.

[Question] What is the position of the National Assembly you head in the Iraqi regime, what are this assembly's tasks, and how are its members selected?

[Answer] The Iraqi National Assembly participates with the Revolution Command Council in the legislation process. We have our special system. At the outset of the revolution, we had a single authority concerned with legislation, namely the Revolution Command Council. The foundation of the assembly then came as a step in its forward development and we now have the National Assembly as another legislative body next to the Revolution Command Council.

The two authorities are now engaged in legislation. The president sends the draft laws to the two authorities and we discuss what is referred to us by the president for legislation in accordance with the constitution and the bylaws.

The National Assembly members are elected on the basis of 1 representative for every 50,000 citizens. The assembly is comprised of 250 Iraqi representatives selected through elections in which 750 candidates ran. These elections are free and are conducted in direct secret balloting. The current session is the second session and the first session convened 4 years ago. The assembly includes Ba'thists and independents. Any citizen can run for election, provided that he is an Iraqi citizen who can read and write. Anybody over 18 years of age can vote. The current assembly includes 33 women. All the leaders of the popular organizations were elected members. The members' educational level is high. Out of 250 members, 119 members are university graduates. The assembly also includes a considerable number of members with Ph.D. degrees and university professors. The assembly has eight permanent committees and it meets twice a year to examine the bills prepared by the committees and to make its decision on these bills, either yea or nay.

[Question] If we backtrack to the days of your studies at the American University of Beirut, what does the news of the closing of Faysal Restaurant mean to you?

[Answer] It is truly regrettable. This restaurant was the meeting place of Arab youth and the focal point of the meeting was pan-Arabist feeling and Arab unity. It was a social and a cultural site at the same time. I have emotional feelings for that place because I spent 4 years there and it is there that I became acquainted with a large number of people who are now prominent in the Arab homeland. The closing of this restaurant has, regrettably, coincided with the decline of the current of Arab unity and of pan-Arabism in Lebanon and with the rise of sectarianism. An Arab magazine made an analogy on the occasion between the struggle for Arab unity and the emergence of the ideas of partitioning Lebanon into cantons. I regret this news, which I heard recently, and it pains me deeply. I hope that the time will come when conditions in Lebanon will return to what they should be.

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JORDAN

NEW ELECTION LAW REDISTRIBUTES ASSEMBLY SEATS

London AL-TADAMUN in Arabic 18 Jan 86 p 22

[Article by Khalid Mahadin]

[Text] Over a period of more than 10 hours, the Jordanian cabinet debated the new election law bill for 1986, and gave its approval to the bill as a preliminary step towards presenting it to the National Assembly (the Senate and Representatives) to be debated and passed before sending it up to the throne to be issued as a royal decree, after which the bill would become effective law.

Before talking about the new bill, the background to its being drafted, and the motives behind its being passed at this stage, it might be useful if we were to review what the situation now is in relation to parliamentary life in Jordan. In this respect we will point out that the last general parliamentary elections that took place in Jordan on both its banks, East and West, were in 1966, and even though the law decrees a term of 4 years for each parliament, the events of the 1967 setback caused some changes which were covered by constitutional measures. After its constitutional term ended in 1970, the elected assembly was extended, and in 1974, after the resolution of the Rabat summit was issued which considered the PLO as the sole legitimate representative of the Palestinian people, the parliament was given what might be considered an "open recess," which the executive power continued to govern and administer the affairs of the country in the absence of elected representatives, in other words, the government alone took over both the legislative and executive powers, and all the laws that it enacted were considered to be temporary laws which would be made permanent after the resumption of parliamentary life. Under these unnatural and indeed unconstitutional circumstances the government saw that a possible solution, in light of the extraordinary circumstances, lay in forming a national consultative council whose members would be appointed and which would be given the task of passing temporary laws, until what had come to be known as the extraordinary circumstances came to an end. These extraordinary circumstances, to be precise, are the occupation of the West Bank and the impossibility of holding representative elections which included all of the kingdom's governorates on both its banks. The experiment was successful, for 75 Jordanian personalities were appointed, including natives of both banks of numerous political and intellectual tendencies, and a 2-year term was set for

each national consultative council. Observers who have followed the workings and debates of the national consultative council do not doubt the councils' esteem for and adherence to the spirit of democracy that these councils and the governments which have dealt with them have shown, rather these observers go further than that in their appraisal and appreciation, especially after the Jordanian parliament which had been elected in 1966 was asked to resume its activity. But it became clear that the 18 years that had passed in Jordan and left their economic, social, political, and intellectual marks throughout Jordanian life had created a deep and wide gulf between the members of the present assembly and their ability to represent the people.

The present parliament was called upon to resume its activity in 1984. At the time the government affirmed that it had to call its because the extraordinary and difficult circumstances (the Israeli occupation of the West Bank) still existed, and therefore it would also be difficult to wait any longer because the deaths of several more deputies from the two banks, in addition to those who had already died, might cause the loss of the legal quorum. Thus the parliament was called, and a constitutional way was found of filling the seats made vacant by death, whereby by-elections would be held on the East Bank, and the parliament would choose representatives from the electoral districts whose representatives had died and which were on the West Bank. That is what happened. The vacant seats in Amman, al-Salt, al-Karak, Irbid and al-Tufaylah (the East Bank) were filled by means of by-elections in which eight deputies were elected. Through a direct election by its members, the parliament also filled the vacant seats on the West Bank, and throughout the term, which so far has been about 2 years, this basis has been used in matters relating to West Bank deputies whose seats have become vacant because of death. Last month the first East Bank deputy died, but it has not yet been decided how the government will go about filling his seat, since there have begun to appear around the Jordanian capital alternative interpretations of what is meant by extraordinary circumstances, in that they go beyond the Israeli occupation of the West Bank to include the possibility of filling any vacancies in East Bank seats through direct elections by members of parliament and not through direct popular elections. It seems that the Jordanian cabinet's issuance of a bill for a new election law, the expected passage of this bill by the National Assembly, and its issuance as a royal decree for holding new elections is what allowed these interpretations to rise to the surface. But many think it unlikely that the government will resort to an alternative to direct elections, since it is agreed and understood that the sole interpretation of extraordinary circumstances is the occupation, and nothing else.

But it is important for us to point out here that the present parliament's being called to resume its activity came after a recess that had lasted since 1974 (or 10 years), and the call came after the PLO had left Lebanon. Even though some tried to connect the two matters and give an alternative interpretation to what the government intended, the PLO announced at the time that it had received assurances about the background to this call. But those same people again raised many questions about the new election law bill, especially since the Jordanian bill was drafted as law for the two banks, and it distributes parliamentary seats equally between Jordanians and Palestinians;

in fact, for the first time it gives Palestinian camps in Jordan the right to have electoral districts in which parliamentary representatives would be elected; in other words, the new bill considers the Jordanian (candidate or voter) as a single entity divided among Jordanians (the East Bank) and Palestinians (the West Bank) and the camps. While the present parliament consists of 60 deputies with its seats divided equally between the banks, the next parliament, which will be chosen according to the new law, will consist of 130 deputies distributed in the following manner:

The East Bank, 66 deputies.

The West Bank, 55 deputies.

The Palestinian camps in Jordan, 9 deputies.

Eighteen deputies have been allotted to the Capital governorate (15 Jordanian and 3 from the al-Wahdat, al-Husayn and al-Talibiyah camps); 24 to the Jerusalem governorate and to the Irbid governorate 20 (17 Jordanian and 3 deputies from the Irbid, al-Hisn, Jarash and Suf camps); to the Nabulus governorate 22, the Hebron governorate 9, and the al-Balqa' governorate 8 (7 Jordanian and 1 deputy from the al-Buq'ah camp); to the al-Zarqa' and Hittin camps); to the governorate of al-Mafraq 2 deputies, the governorate of al-Tufaylah 3 deputies, and the Beouins in the North, South and Central regions will have 6 deputies so that there will be 2 deputies for each region. According to the new law, Muslims on the two banks will get 112 seats, including 3 seats for Circassians and the Shishan, while Christians will get 18 seats.

AL-TADAMUN tried to pick up echoes from the drafting of the new bill whether in Jordanian circles or Palestinian ones, but it was not able to. The drafting of the bill has been surrounded by much secrecy, and it was passed in the Jordanian cabinet after two sessions that lasted 10 hours. When the bill got to the newspapers, they were given the bare facts, without it being published or debated, either during this stage or during its debate in the House of Representatives and the Senate. It does not seem at this time that Palestinian circles are ready to give their views; moreover, Jordanian-Palestinian relations have come under a shadow with the operation to clear the air between Amman and Damascus, and even the visit that Mr Yasir 'Arafat had been scheduled to make to the Jordanian capital was postponed before Mr 'Abd-al-Ra'uf al-Kasm arrived in Jordan. After the Jordanian-Syrian talks at the level of the prime ministers of the two countries and at the level of King Husayn and President Hafiz al-Asad had ended, it became clear that Mr 'Arafat was no longer eager to make a visit now. AL-TADAMUN has learned that the invitation carried by Mr 'Abd-al-Wahhab al-Majali, deputy prime minister of Jordan, to the PLO chairman in Tunis did not change anything. "Abu 'Ammar" flew to Algiers and from there to Baghdad, and during the first week of this month there was a certainty in the Jordanian capital that Mr 'Arafat would arrive at any moment, but this certainly quickly faded after it was announced that King Husayn had left for a private visit to Britain.

The bill of the new Jordanian election law again brings up the big question concerning the Rabat summit resolution. The PLO, with unanimous international and Arab agreement, sees itself as the sole legitimate representative of the Palestinian people, and these people have their own National Council. So can the new Jordanian law be considered a violation of this resolution, and of the PLO's right to sole, legitimate representation?

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JORDAN

BUDGET ATTEMPTS TO SERVE GROWING POPULATION

London AL-MAJALLAH in Arabic 18 Jan 86 pp 35, 36

[Text] Many observers of the new Jordanian budget were surprised, since it has been expanded at a time when government revenues have begun to feel the effect of the economic recession caused by the drop in oil revenues in the Gulf states which are host to hundreds of thousands of Jordanians.

But increasing expenditures is something which cannot be avoided, first to revive economic activity, and secondly to speed up the rate of development, especially the development of growing food, in order to meet the large increase in the population. It has been principally noted that the Jordanian government, just before working on the new budget for 1986, took a number of steps described as being made to rectify the economic course, such as making reforms in the situations of many companies and public utilities. The current government, headed by Zayd al-Rifa'i, also leans towards giving more responsibility to the private sector instead of expanding the public sector, which in spite of its efficiency still has a lower performance level than that of the private sector. Here are some of the features and premises of the new budget:

Government expenditure for the new budget is 923 million Jordanian dinars (a dinar equals $2.70), or an increase of 16 percent over the expenditures of the old budget, which were about 775 million dinars. This budget includes regular expenditures in addition to investment expenditures.

The Jordanian government expects that its total income, including foreign aid, will be 886 million dinars, in other words a deficit of around 37 million dinars, or the equivalent of 2 percent of the domestic product. Jordanian bankers agree that such a deficit does not constitute a threat in view of its tiny portion of the national product and its reasonableness with respect to overall economic performance.

However, these figures might be subject to broad changes. Treasury income depends heavily on foreign aid, estimated to be 253 million dinars, but all the signs point to a determination by the rich Arab states to reduce their allotments to Jordan, because of restraints on giving, especially since a drop in oil export revenues is expected because of a drop in prices without the ability to increase export quantities. Thus the Jordanian government might

increase its domestic and foreign loans to cover any revenue shortfall resulting from a drop in Arab and foreign aid.

In the new Jordanian budget there is a distinct improvement in revenues, since it is expected that fees and taxes will cover 88.2 percent of public expenditures instead of 80 percent, as had been the case in the previous year's budget. The credit for that increase goes to tax increases which included a number of sectors.

The budget's total local income will reach 498 million dinars, to which is added an amount of 40 million dinars carried over from last year's budget, to total 58 percent of all public expenditures.

Most of the Arab and foreign aid, which is expected to reach 253 million dinars, will go towards investment in public projects.

Nevertheless, the budget is characterized by austerity. That is because most of the allotments for items of expenditure were not increased over those of last year. What was increased was financial support for the producing sectors, foremost of which is agriculture.

The Jordanian government's increased concern for the agricultural sector this year reflects its anxiety over the fall in the degree of food security resulting from a number of factors. Foremost of these is Jordanian youth leaving to work abroad, the drop in the farmer's income from agriculture because of price setting for his products, and the large increase in population. So that the Jordanian government may lower the food bill, it will implement a number of agricultural projects, including the al-Zarqa' basin project and projects to irrigate wheat acreages, increase animal fodder production, and survey all agricultural lands. It has also taken a number of steps to encourage people to work in agriculture, including the abolishment of the system of pricing crops, which has proven to be the best way to ruin agriculture and turn green areas into desert, and to allow crop prices to follow the law of supply and demand. Other measures include exempting farmers who are paying back agricultural loans from a portion of their taxes, and establishing an incentive price for wheat at twice its world price.

What also disturbs the Jordanian government is the huge deficit in the balance of trade, which in turn affects the balance of payments. Therefore it raised customs duties on non-essential luxury goods, and it intensified its efforts to exploit the oil discovered in small but economically feasible quantities in the Hamzah field, increasing exploratory operations which have detected encouraging signs. It appears obvious that the government is working hard to find local alternatives to imported oil in order to reduce as much as possible its oil imports, which were about 400 million Jordanian dinars.

Measures to raise customs duties have brought about a halt to the growth in imports and a 10 percent increase in exports last September, something which has caused optimism concerning the possibility of placing a limit on the rapid growth in imports.

The Jordanian government is making increased efforts to revitalize the financial market. To this end it intends to set up an establishment especially for brokers and middlemen and a company for investment financing, and it might take technical measures to turn bank loans into investment loans.

Finally, 60 percent of the gross domestic product is realized through government spending, and here economics experts call for expanding and diversifying the economic base, and in particular to direct investment towards the producing sectors, so that economic activity will not remain tied to government spending to such an extent. It should be mentioned that the new economic development plan will operate according to this concept.

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LEBANON

BA'TH PARTY CHIEF SEES NECESSITY OF ARMED STRUGGLE

Beirut MONDAY MORNING in English 17-23 Feb 86 pp 24-27

[Article by Nadim Abou-Ghannam]

[Text]

The tripartite accord brokered by Syria has not been implemented, and many officials even announced its failure. In view of this situation, what policy will Syria adopt and what alternatives if any are available?

I do not think that the tripartite accord has failed. But to be realistic, it is more accurate to say that its application was obstructed by a number of parties opposed to it. These were the U.S. at the international level, Israel on the regional scene and locally through an alliance between the Phalangist Party and Amin Gemayel on the one hand, and Samir Geagea on the other.

As regarding the policy Syria may adopt, it is clear that Syria has not yet blocked political channels as a means of applying the tripartite accord. However, this does not mean that Syria would accept the introduction of any amendments to the provisions of the accord. Syria insists on the application of all provisions, especially those dealing with the abolition of political sectarianism.

As for the alternatives that Syria might consider in case all political alternatives are blocked. I personally do not believe that the current political talks would lead to any positive results. My conviction stems from the Gemayel-Geagea alliance's complete rejection of the accord. Syria is currently discussing all possible alternatives and is leaving the scene open for a variety of options. However, given the prevailing situation, I would say that the Lelbanese national forces see no alternative other than a military confrontation with Amin Gemayel and Geagea's group. We are currently discussing this option with Syria and I believe that we have made great progress in this respect.

In view of the prevailing status quo, all political solutions seem remote. Do you expect a solution to emerge through a military confrontation? And how does Syria regard this option?

There is no need to emphasize further that Amin Gemayel's current poltical moves, besides thwarting efforts at a political solution that were initiated by a number of important officials in East Beirut, are all steps that aim at blocking all political dialogue. Hence, a military confrontation to end the prevailing situation appears to be necessary.

How would you evaluate the relations between the Amal Movement and the Communist Party? And how can the two be reconciled?

There is no disagreement at the strategic level between Amal and the Communist Party, or to this effect between Amal and any of the members of the national front in Lebanon. They all pursue the same ends and are committed to the principles dictated by the national interest. They all want to find a solution to the Lebanese problem within a context based on the principles of liberation, unity and democratic change.

However, misunderstandings do sometimes develop between members of the national front leading to minor conflicts. Such conflicts usually emerge because some members do not weigh the consequences of their practices. The Amal Movement discussed this subject in its last communique. This leaves us with the possibility to deter such activities and prevent their recurrence.

In this respect I would like to emphasize the Lebanese Baath Party's attitude on the need to respect the principles of democratic political action and abide by the limits dictated by the presence of a variety of political and ideological trends. All this falls within the context of efforts of the Lebanese national progressive forces to apply the principles of national change and the liberation of the homeland from Israel and its agents.

How would you comment on reports indicating that the Syrians have set mid February as the deadline for a political solution to the current crisis, the failure of which will lead to the adoption of the military option?

Syria has not set any deadline. However, it favors a quick solution to the current crisis. But on their part, the national forces have already decided on the military option. I have already pointed out that my colleagues and I are currently discussing this issue with the Syrian leadership.

What are the real dimensions of the appeal that Chief-of-Staff Brigadier Abu-Dargham made? Can this be considered a preliminary step that may eventually lead the army to seize political power?

We support Brigadier's Abu Dargham's appeal and believe it was necessary. In the short and long run, this call represents a basic turning-point in the army's attitude to the struggle on the ground. We do not want the army to be the armed militia of this or that party, as the case is now. The army appears to be the weakest of all militias. We hope to change a specific reality within the institution of the army. We

do not want the army to take part in the sectarian war. We basically want to train and develop the army on sound national and patriotic principles. We want the army officers of East Beirut to adopt the same initiative adopted by the army officers of our national areas and to neutralize the role of the army in the current conflict.

As regarding the subject of the army seizing political power, I believe that it is not possible for such a development to occur in a country like Lebanon, based on political pluralism. The negation of such a possibility is further reinforced by the involvement of the army in the sectarian game.

Minister Berri declared that if the situation deteriorated any further and fighting was to erupt on a large scale, the "red lines" would be bypassed. De you agree with him?

I agree with Minister Berri. However, if fighting does erupt on a larger scale, it should by no means lead to the emergence of new red lines. A battle against forces opposed to the tripartite accord in East Beirut should bypass all red lines and create new «givens» that would eventually allow for the application of the accord. As to when such a confrontation will happen, the matter, as I have indicated, is still under discussion.

There are reports of a flow of arms to the Palestinian camps. Does this mean that a new camp war is coming up?

I believe there are preparations in the camps themselves to instigate a war. I also think that Yasser Arafat and forces supporting him are the ones plotting for a new camp war. I would even go further to say that the eruption of such a war would be the result of an israeli decision and through a coordination with Gemayel. The aim of such a war would be to confuse the national front and divert it from the intended military confrontation.

Political sources recently indicated that the visit of the Jordanian prime minister to Damascus on February 9 aimed at a reconciliation between the PLO and Syrian officials. How would you comment on this?

The attitude of the Syrians towards Arafat's policies is very clear. But we should distinguish between the PLO as the sole legitimate representative of the Palestinians, and Arafat's policies. The status of the PLO cannot be reduced to Arafat's point of view. The political attitudes of major political factions in the PLO were disregarded and cancelled simply because they did not accept Arafat's defeatist political bargains.

However, the visit of the Jordanian prime minister to Syria went beyond the discussion of Palestinian Syrian relations. The visit was concerned with the coordination of Arab efforts in an attempt to crystallize a joint national strategy based on the principle of maintaining a minimum level of Arab solidarity in the confrontation with Israel and the Americain administration's conspiracies in the region.

Do you think military battles will recur in East Beirut?

The prevailing political situation in East Beirut does not negate the possibility of future violent clashes. Political Maronitism failed to come up with a political negotiator capable of conducting a rational dialogue and presenting a serious alternative to the tripartite accord. Otherwise, how can we explain the confusion in the attitudes of the parties who conducted the violent coup against the tripartite accord in East Beirut? This is unless we assume that the cause or this confusion is their fear to indulge in dialogue, whether individually or collectively, with the national forces and Syria in a context other than that produced by the recent incidents in East Beirut. The same parties also are unable to decide on future steps at a time when a number of officials in East Beirut have expressed a willingness to negotiate with Syria.

All this points in the direction of an attempt to delay taking the unavoidable decision and further hindering the possibility of finding a solution to the problem of Christian representation through encouraging other military operations in hope that they would produce an acceptable political negotiator in East Beirut.

How could you comment on the communique which emerged from the Bkirki conference?

The communique in general opens the possibility for a serious dialogue. That is of course if the will to reach a national solution is demonstrated through concrete actions. Such a solution must be compatible with the sacrifices the Lebanese people have made for liberation and progress. They must also bypass the negative aspects of the 1943 national pact. However, the problem will persist if Bkirki fails to develop the general principles embodied in the communique into an applicable plan. The intensity of the problem will also increase if the national option is sacrificed for personal interests. Hence, if Bkirki commits itself to the defense of the president of the republic at all cost, then the basis of a solution will be seriously jeopardized because such a commitment will prolong the crisis and will create an atmosphere of tension among the different parties. Consequently, the legitimacy of the regime does not depend on the head of this regime.

However, the principles emerging from the Bkirki conference should not let us disregard a basic fact related to the forces controlling the military scene in East Beirut and whether they would permit Bkirki to play any significant role at all. This was clearly revealed through the pressures that the Phalangist Party-Geagea-Gemayel alliance exerted to deter the activities of Bkirki and the independent Maronite Bloc. Hence opponents of the tripartite accord in East Beirut are unwilling to grant moderate Christians a wide context of maneuver and political expression.

What was the result of the talks the independent Maronite deputies held with Syrian officials ?

Given the intense political contradictions present on the Lebanese scene, there are no specific details I would like to elaborate upon. These contradictions differ from news propagated in the mass media, and which generally emphasize the need to bypass the atmosphere of tension present between the national forces and the president of the republic.

The dialogue with the independent Maronite deputies depends on a number of factors. Most important among them is the need to apply the tripartite accord which represents the framework of a national solution. However, communication channels remain open with any faction that separates the amendment of the tripartite accord from the need for Gemayel to remain in power.

The current situation should make all Lebanese realize the failure of Amin Gemayel's methods and his direct responsibility for discarding a valuable opportunity to end the civil war. ●

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POLITICIANS COMMENT ON ABU DARGHAM APPEAL

Beirut CENTRAL NEWS AGENCY in English 8 Feb 86 pp 14-16

[Text] CNA--There have been many comments and remarks in political and diplomatic quarters on General Abu-Dargham's appeal yesterday.

As one diplomat put it "the least that can be said about it is that it forecasts war," because when someone as important as the Army Chief of Staff suddenly summons high-ranking officers for a special meeting then comes up with a call to all Army personnel to "stay out of civil warfare" (at a time there is no civil warfare, as a matter of fact) the least anyone can expect now is that warfare may break out.

It was also noted that some of the Army officers who attended the meeting and backed Abu-Dargham's appeal are known to have connections (allegiance, more precisely) with a number of Lebanese "leaderships," including former president Sleiman Franjiyeh. It would be interesting to note here that the Zghorta maronite leader was the first man to hint to the possibility of an Army initiative of some kind with respect to forcing President Gemayel to resign. That was a few weeks ago at his weekly news conference when someone asked him what kind of "legal ways" were there to move the President out of the Presidency, and he replied: the Army has certainly a role to play in this connection.

When Franjiyeh made this statement he had just returned from Damascus and putting 2 and 2 together may drive anyone to the conclusion that the possibility of an Army movement to oust President Gemayel may have been included among the various "peaceful" means envisaged to reach that goal.

But it seems that Abu-Dargham's appeal was only the seed that remains to be cultivated and to blossom into a concrete result, if an Army "coup" must remain bloodless and obtain the President's resignation without a single shot being fired.

According to a western diplomat, all now seems to depend on what exactly Army commander Michel Aoun intends to do about the call because if he backs it, all christian brigades are expected to follow. Otherwise, the Army's present de facto division (which exists since February 6, 1984)

is likely to be dedicated, inter-faction warfare is most likely expected to resume and it is most likely to be even more fierce and disastrously destructive than ever before if it were only for the important military potential of the Army this time being used on both sides.

The choice is certainly a hard one for any Army command. For one thing, the Army commander is committed to defending the Legal Authority and President Amin Gemayel just happens to be the incarnation of that authority which makes it imperative for him to defend the president and the least he is expected to do in this respect is to abide by the President's determination to remain in office.

But if the alternative to Aoun's decision to side by the Legal Authority must be a new particularly rough round of fighting then the General should logically have second thoughts about his decision, the diplomat added.

One political source in east Beirut described yesterday's appeal as "a cunningly smart move" on the part of the Syrians who "seem to have found an excellent substitute for their direct involvement in any inter-faction warfare" as the source put it.

According to the source there may be very little doubt that the call made yesterday by the Army Chief of Staff was aimed only at paving the way for a forthcoming military round "this time without any red lines involved," unless of course the implications behind the move were clearly assessed by the Army Command and that the Army (christian maronite) commander decided to avert the disaster by joining into a united Army call demanding the President's resignation.

But reliable observers say that General Aoun is not the only one to decide and that he must, anyway, take into consideration the views and feelings of other high-ranking christian officers most of whom consider the present fight as their own and the battle for the defense of the Presidency as a battle for the defense of what they view as "the last outpost of christian influence in Lebanon."

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DANY SHAM'UN HOPEFUL ON NATIONAL CONSENSUS

Beirut CENTRAL NEWS AGENCY in English 12 Feb 86 pp 17-24

[Text] CNA--The chairman of the National-Liberal Party, Dany Chamoun, predicted the early settlement of the Lebanese crisis on the basis of a national consensus. He said he had "local indications coinciding with regional indications" in this respect.

In an exclusive interview with the Kuwaiti newspaper AL-QABAS, Chamoun severely criticized Syria whom he accused of resorting to military pressure to complicate the Lebanese crisis. He also blamed Israel of trying to undermine Lebanon's sovereignty in the South.

Chamoun also criticized all those who are boycotting President Gemayel considering that they were actually "boycotting the people, being themselves responsible for the people's tragedy." He also rejected the idea of the President's downfall by force or under military pressure and said that the President's resignation "is something for the majority to decide."

Following is the almost full text of the interview:

Q.-How do you see the future through the present crisis in Lebanon?

A.-Lebanon will soon emerge from the crisis and will be unified on the basis of a national consensus.

Q.-Are there any indications available to support your optimism?

A.-There are such indications at local level and they happen to coincide with corresponding indications at regional and international level.

Q.-But there are now considerable differences on the Lebanese scene. What is the factor which is going to unite the Lebanese?

A.-First of all we never ceased to believe that the solution in Lebanon will be all-Lebanese or will not be at all. Then I think that foreign media have considerably distorted the picture. There is standstill at military level and a strong desire to end the fighting. There isn't any real fighting now and these active fronts are more quet than hot after the shellings that took place under Syrian pressure.

What happened on the Dwar-Bickfaya front was expected taken Syria's constant reaction whenver there is a Lebanese attempt to express independence and freedom.

The thing that makes me optimistic now is that despite Syria's pressure upon them Lebanese sides refuse to resort to violence and terrorism and this is indeed an indication that leads to optimism.

Q.-What about the military escalation supporting the demand for President Gemayel's resignation?

A.-Such means had already been used before, back in 1975 against the then president Sleiman Franjiyeh and afterwards on President Elias Sarkis, but I think the time has come for Syria to realize that the Lebanese people will not yield to such terrorism.

Q.-Does that mean that the President will not resign?

A.-This is something for the Lebanese people to decide. If the majority demands his resignation, then the will of the majority will have to be respected. But there will be no such thing under pressure.

Q.-Do you think military pressure can be exerted?

A.-It is being exerted already. What do you think the sniping and shelling on the various axes means? And there is a lot of talk about military preparations, mobilization, states of alert and so on in all areas under Syrian control. Isn't all this the prelude to military pressure?

Q.-What will become of the Tripartite Accord?

A.-It was born dead. It therefore has no future. This accord undermined bilateral relations between Lebanon and Syria because the warring factions who signed it tried to impose it by force. The only positive thing about the Accord is that it displayed a desire to end the war and this was welcomed by all Lebanese. What is unacceptable is Syria's condition that national accord and the end of the war can be achieved only in return for full hegemony as indicated through the dispositions of the document.

Q.-It is being said that whoever rejects the Accord rejects the "Arab option" as well.

A.-This is not true. We have proclaimed and adopted the Arab option at the Geneva and Lausanne conferences and even in the ministerial declaration and we, as National-Liberal Party, have gone as far as including this option in our own partisan doctrine. But we refuse to have our Arab identity measured through our relations with Syria.

Q.-Is it true that the rejection of the Tripartite Accord falls within the context of sophisticated calculations related to the prevailing conditions at regional level?

A.-I had several meetings with the American ambassador and never has he asked us to reject the Accord. On the contrary every time he used to say: You Lebanese must come to terms. He even used to ask us why we were rejecting the Tripartite Accord, and we used to explain him the reasons for that.

I also had meetings with diplomats from the Soviet Embassy and they too expressed hope that a Lebanese consensus may be achieved and they offered to help in any way they can. And again we explained the reasons why we opposed the Accord.

Q.-It is being said that the Tripartite Accord was rejected under U.S. advice in retaliation for the abrogation of the May 17 Accord.

A.-The Tripartite Accord is one thing and the May 17 Accord is another and I never felt there was any link between them nor have I ever felt any American hostility to the Tripartite Accord. Besides, we had also raised objections to the May 17 Accord especially with regards to the items that undermined national independence, sovereignty and dignity.

Q.-The Tripartite Accord does allow the stationing of Syrian troops in Lebanese strategic areas, does it not?

A.-Yes it does and this is what bothers us in this document all the more that the President has sent a written letter to Syrian president Assad in 1982 asking him to withdraw all Syrian troops from Lebanon. Similar letters were also sent to the League of Arab States and to Arab heads of State emphasizing that the presence in Lebanon of Syrian troops was illegal. Simultaneously Lebanon had submitted several complaints to the United Nations Security Council against the presence of the Israeli Army in the South. We tried to settle the problem of the Syrian armed presence within the framework of the Arab League and the problem of the Israeli armed presence within the framework of the United Nations.

There had been attempts of reaching agreement with Israel to secure the withdrawal of Israeli troops from Lebanon but Syrian pressure defeated them.

There are now complaints at the United Nations against Israel. We are doing what we can. What else can we do? Our armed forces are limited and divided and Syrian pressure cripples all contacts with Israel to settle border issues.

It is very important for us to file complaints at the United Nations because the Lebanese border is the only Arab border with Israel which is internationally recognized and we are certainly dissatisfied with Israel's behaviours in the borderline area and we demand that Israel respects this border and withdraws its forces as soon as possible and it is up to the World Body to impose such withdrawal because Lebanon is neither capable of confronting this situation or able to accept it.

Now since you have raised the question of the May 17 Accord may I remind you that under this agreement Israel would have given up portions of Lebanese territory it had occupied back in 1948 and annexed ever since, but again there was interference and the Accord had to be abrogated and the result was that Israel extended its occupation instead.

Q.-Do you believe Israel is still striving to bring about partition in Lebanon?

A.-We do not know the sides involved in the partition scheme. To my opinion, whoever tries to weaken the State Authority, whoever tries to disperse the Lebanese people, to create militias ir Lebanon, is contributing one way or another to making the partition scheme come true.

Q.-Is there a christian unified decision in Lebanon?

A.-By all means there is and more than ever before. There is also a common approach in connection with the future of christians in Lebanon.

Q.-But there are differences between christian leaders?

A.-There are no differences with respect to constant principles.

Q.-Take the President. Some christians want him to resign while others want him to remain in office.

A.-The President's resignation is a political demand and this has nothing to do with principles.

Q.-There are also divisions with respect to the Tripartite Accord.

A.-There is no single faction or community in Lebanon tha' supported the Accord unreservedly and no political group had approved the Accord under its original form. All sides have expressed reservations and asked for amendments to be brought in.

Q.-If you were asked to settle the crisis what would you do?

A.-When I'm asked to settle the crisis I'll tell you how. Anyway, constitutional institutions must move and it is necessary for the Assembly to perform its role, and this goes for the Government too. There can be no solution to the Lebanese crisis except through constitutional institutions.

Q.-How can you do this with the Legal Authority being boycotted?

A.-We should be able to stand up like men through our constitutional institutions like we did when we rejected the Tripartite Accord. We must be able to say: this is the kind of system we want and we intend to have it.

Q.-But what about the boycott?

A.-Who is boycotting who anyway? It is the people who pay the price and this is why those who are boycotting the people must put an end to their boycott. They are responsible for the consequences of their boycott, they have money and they don't care, but complications resulting from their behaviour is detrimental only to the people.

Q.-This may be true, but what about solutions?

A.-To my opinion, if all doors are closed in the President's face he may always take action under the Constitution and use his prerogatives to settle the crisis.

Q.-You mean revoke the Government?

A.-If the government lacks unity and cannot be united it must go. But I don't think this is the case because the government is in fact united and the boycott is not a serious thing and again I must emphasize that the boycott harms only the people.

Syria is not concerned over the welfare of the Lebanese people because if she really was she would have ended the crisis by refraining from supplying arms to the various Lebanese factions and would have adopted a different approach in handling the Lebanese case, an approach based on dealing with the Lebanese legal institutions.

Take Tripoli for example. Now that the Syrians have invaded the city by their own will, why don't they hand over security to the Lebanese Army if they really want to sustain the Lebanese Legal authority and support the Army's role? Why don't the Syrians hand over the port of Tripoli to the Lebanese State authority instead of letting certain factions use it for their own benefit?

Q.-Do you think Syria has ambitions in Lebanon?

A.-What do you think this interview is all about? It's been one hour that I'm talking about Syrian ambitions in Lebanon.

Q.-How would you describe your relations with Walid Jumblatt?

A.-Excellent.

Q.-And with Nabih Berri?

A.-I don't know him well. The last time I saw him was at the airport and we just said hello to each other.

Q.-And with the Lebanese Forces?

A.-More than excellent.

Q.-Did you visit Israel lately?

A.-I certainly did not and all reports carried by silly newspapers in this respect are false. When I go anywhere I do it openly and if I have any reason for going anywhere secretly I simply refrain from going. Besides, everyone knows that my last trip was to Paris.

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LEBANON

ISLAMIC GATHERING EXPRESSES RESERVATIONS ON TRIPARTITE ACCORD

Beirut CENTRAL NEWS AGENCY in English 13 Feb 86 pp 14-16

[Text] CNA--The very carefully worded statement released yesterday by the "Islamic Gathering" confirms earlier reports about the sunni moslem traditional leaderships in west Beirut (at least) having reservations about certain dispositions contained in the controversial inter-faction Tripartite Accord.

The statement also proves that Syrian President Assad and vice-president Khaddam were both unable to talk the "Sunni Political-Religious Club" into joining forces with either the supporters of the Accord or, at least, the petitioners for the President's resignation.

Obviously, the Sunnis could hardly have supported the Accord or seconded the calls for cutting short the head of State's term in office for even if they had chosen the second attitude just to please the Syrians they would have actually contributed in creating the required objective conditions for the implementation of the Tripartite Accord, and this is in fact the real reason why they didn't. It was certainly not out of sympathy for the President or for attachment to him as a person that they refrained from demanding his resignation but only because his remaining in office does constitute the last obstacle standing in the way of the Accord's implementation.

There are also regional considerations involved with regards to the Gathering's attitude. There are historical and traditional bonds between Lebanese sunni moslems and most Arab regimes and the upsurge of militant shiite influence in the Middle East and especially in the Gulf as a result of the growing Iranian influence, turned the sunni moslem community in Lebanon into an embattled sect with feelings of danger almost as acute as those of the christians. Both sunni moslems and christians fear they might become "second-rate citizens" in any new-look Lebanon based on a "deconfessionalization" formula.

Fears of this kind within Sunni moslem political and religious circles gained momentum over the past two years, more precisely since west Beirut, a traditional sunni bastion, fell under the control of allied shiite and druze militias on February 6, 1984. And sunni-shiite rivalries developed

into bloody clashes ever since, but the shiites won all battles with Syrian backing and this contributed in driving the sunnis into an attitude even more cautious than they had already had.

The visit to Damascus by a sunni delegation coincided with an all-out Iranian offensive against Iraq which is described by many observers as "the most important" ever since the outbreak of the Gulf war nearly five years ago and the development is seen as "serious" inasmuch as it threatens to extend the war to Kuwait, a predominantly sunni country which had remained neutral alike other Arab countries in the area, and if the old saying about "all developments in the area having necessarily repercussions on the Lebanese scene" is correct, the least any observers should expect as a result of the apparent "military victory" scored by Iranian troops on the Iraqi front should be a boosting of shiite militancy in Lebanon and this, under the circumstances, can be done only at the expense of the sunnis.

Now, taking also into consideration Syria's alliance with the Amal Movement (seen by all as the incarnation of the shiite community and its spearhead), sunni traditional leaderships could hardly have been expected to serve their subscription to the Tripartite Accord on a golden plate to Syria. And because President Gemayel stood against the Accord, they could neither have been expected to support the demands for his resignation.

Whether or not Syria is expected to play any leading role in the forthcoming stage of the Iraqi-Iranian war is not known as yet. But if she does, as many observers believe, then one more regional dimension could be added to the Tripartite Accord.

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LEBANON

FOREIGN CURRENCY RESERVES SHOW INCREASE IN 1985

Beirut CENTRAL NEWS AGENCY in English 15 Feb 86 pp 17-19

[Text] CNA--In a recent article about the achievements of the Banking and Monetary Sectors during the year 1985, the magazine AL-IDARY suggested that the major achievement of the year or rather the most positive result of the year was an addition, a net adidtion, to the foreign currency reserves at the Central Bank.

This net addition, while not considerable, is quite commendable but does not excuse the continuation of two figure-inflation and the drop in value of the Lebanese pound and also, most important, the mounting state deficit which threatens to declare at least on paper the bankruptcy of the Government.

Unless, that is, the Government realizes the dangers of its position and tries by some magic card trick to improve its balance of payments and to reduce its overall deficit. In this case of an increased flow of capitals back into the economy and back into the internal revenue offices, there is hope that the current year would not be as bad as the last one or would not be even worse than the last one.

In Lebanese currency, the total amount of foreign currency reserves is estimated to be in the vicinity of 26.07 billion Lebanese pounds compared to 21.07 billion L.P. in the middle of last year and 9.6 billion L.P. at the end of the year 1984.

The Central Bank, as pillar of the economy, is expected to keep its foreign currency reserves at quite a high level. To do this the Bank should wait for the first chance when the market is suitable and when the money in hand allows it, to buy directly on the market the surplus foreign currency especially the foreign currencies in most demand like the dollars, the pound sterling and the francs, the yens and the deutsch marks.

And the Bank was given this golden opportunity last year to build up its reserves at low cost and in anticipation of great profits. To say that the authorities were unprepared to buy so many dollars would be incorrect. To say that they were uninformed of the precarious conditions of the national economy would be an even greater mistake. To say that there was shortsight and carelessness at all levels might fit the picture and give an idea of the mess which was supposed to give the lead to the members of the community.

During the second quarter of 1985 when the U.S. dollar dropped from 19.35 L.P. to 15.15 L.P., the largest quantity of U.S. dollars were bought. This quantity is estimated at close to 300 million U.S. dollars by the end of the first half of the year.

During the second half of the year another 100 billion L.P. were added to the foreign currency reserves and therefore the overall net addition to the foreign currency reserves of the Central Bank was in the vicinity of 400 million U.S. dollars for the entire year. Some observers estimate that with a little more knowhow, the Central Bank could have bought up to one billion U.S. dollars easily and so would have been prepared for the continuation of the internal crisis and for the present foreign currency war which some sides have meant to wage against the economy by means of a weapon against which the economy could be vulnerable to say the least.

The Central Bank bought its U.S. dollars on the local market during the month of August and the month of July when the exchange value of the U.S. dollar rose from less than 16 L.P. at the start of August to about 19.20 L.P. during the second week of September. The C.B. bought again during November and December when the price of U.S. dollars retreated to about 18.75 L.P.

While 40 percent of the Government reserves were in foreign currency, the Bank also used these foreign currency reserves to purchase the needed imported items for the economy to go on and for the public sector not to halt its operations.

On the overall balance of the C.B. for the year just ended, the foreign currency reserves represented 58.22 percent of the assets of the Bank compared with 37.49 for the year before.

Loans to the Internal Revenue Office from the C.B. rose by about 34.26 percent at the end of last year. At the end of 1984 these loans added to about 11636 million L.P. At the end of 1985 these loans added to about 15622.8 million L.P. At the moment the estimated total loan to the internal revenue office owing to the Central Bank adds up to 17455 million L.P., i.e. 1455 million L.P. more than its previous total.

Government bonds also registered a new record for the year just ended. At the end of 1985, these Government Bonds reached a total of approximately 37856 million U.S. dollars, i.e. they have doubled from their level at the beginning of the year and at the moment, these Government Bonds represent about 70 percent of the overall Government Deficit which remains unsettled to date.

In summary, if the Government does not find a way to increase its revenue four-fold, the overall deficit is expected to increase even more and at the same rate because the salaries bill is expected to contribute to an overall increase in this overall deficit.

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LEBANON

AL-BAYAN ARTICLE LISTS POSITIVES, NEGATIVES IN ECONOMY

Beirut CENTRAL NEWS AGENCY in English 21 Feb 86 pp 17-19

[Text] CNA--The "flare-up" in the exchange price of most foreign currencies on the local market has put a question mark on the substructure of the Lebanese economy in the light of mounting unemployment and closures of a great number of industrial ventures. A recent article published in the monthly magazine AL-BAYAN expressed the positive and negative signs of the deep crisis hitting the Lebanese economy as follows:

--First the negative signs comprise:

The deterioration in the exchange value of the Lebanese pound with respect to most foreign currencies especially the U.S. dollar which constitutes the major currency used on the international markets.

The inflation rate was estimated by the Beirut Chamber of Commerce as 40 percent. The Government Central Bureau of Statistics put its estimate as 59.5 percent. As for the Amalgamated Trade Union Movement, its estimate was close to 69.70 percent.

In addition, the general stagnation in the various economic disciplines were noticed according to the following pointers:

While money deposited in banks was up to 49 percent more in 1985 than its previous total, the amounts loaned by banks increased by only 27.5 percent during the same period. And this increase in loans was not a real increase but a result of the increase in exchange rate of the U.S. dollar and the other foreign currencies.

The money collected as duty by the customs department for the whole of 1985 was down to its lowest in seven years because of the near total dysfunction of the department in the light of the growth of illegitimate and illegal ports.

Following a prior decline in building houses during 1984 by almost 51.35 percent, this sector has again declined last year as a result of the rise in proces of raw materials and the unfavourable security conditions.

But the most important sign of the negative orientation of the crisis is the mounting Government Debt which has increased from 30.7 billion L.P. in 1984 to 53.01 billion L.P. at the end of 1985. In other words, the national debt is more than the gross national product by about 125 percent. This national debt is the result of mounting debt to the Central Bank by the various government departments and then the continued issue of Treasury bonds only makes this national debt all the harder to be settled.

--Second, the positive signs of the crisis are as follows:

Industrial exports for the whole of 1985 were up by about 132 percent compared to the previous year's figure. It is worth noting that these increased exports were only due to the rise in price of the U.S. dollar for 32 percent of their total. The rest of the exports were in other currencies. This increase in exports is due undoubtedly to the increased competitiveness of the Lebanese products abroad as a result of the devaluation of the Lebanese pound and also as a result of the stability of wages and salaries for almost the entire year. One point is also worth mentioning is the existence of a big stock of raw materials bought on the foreign markets a long time ago while the foreign currencies were down and while consumption was negligible.

The Lebanese economic crisis would be due to one of the three reasons given below or to the three reasons combined. The three reasons are:

International, Regional and Local

--The international reason is due to the decline in demand of foreign goods by most nations due to domestic compaigns for less reliance on foreign imports and more support to domestically-produced commodities.

--The campaigns for saving on fuel bills have been reflected on the local market across diminished returns to the oil countries meaning less imports from Lebanon. This diminished volume of oil money meant also and necessarily less Lebanese employees contracted by the Arab countries and therefore less money earned by Lebanese workers in the gulf countries and sent to Lebanon.

--The regional reason is associated mainly with the Gulf war and how it is reflected in dimnished exports to Iraq which used to rely on Lebanon for about 25 percent of our exports. And then there is the Israeli invasion to Lebanon in 1982 which has resulted in the destruction of a great number of factories and businesses. Also worth noting is the mounting competitiveness of the Israeli goods on the local market.

--The local reason for the poor performance of the Lebanese economy has to do with three factors:

Weakness of the Lebanese economy. This weakness is in the substructure of the economy and it is due to poor planning and to the absence of control and supervision of the Government to the productive sectors.

Accumulated economic factors leading to the decline as a result of the eleven year war.

The prevailing security condition which has rendered the cooperation among the various regions of Lebanon impossible due to the closure of most roads leading from one part of the country to the other.

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LEBANON

ECONOMY IN 1985 REPORTED 'WORST' IN HISTORY

London AL-TADAMUN in Arabic 25 Jan 86 p 27

[Article by Ibrahim 'Awadah]

[Text] Hopes had been set on 1985 being a year of overall salvation for the economy of Lebanon, but by year's end there were clear indications that it had been the worst ever since the civil war began, giving rise to pessimism that the collapse will continue and might accelerate during 1986.

Economic and financial experts in Lebanon agree that 1985 was the worst economic year in the history of Lebanon, and it is inevitable that 1986 will see a deepening of the economic, financial, and monetary crisis if Lebanon is not freed from the many and diverse pressures that it is subjected to on various economic fronts as a result of the continuation of the political and security crisis and the failure to reach a national accord, which alone remains the cure to Lebanon's economic ills.

Economic and financial experts believe that all the bets that had been laid on 1985 being a year of economic salvation have been lost, and that the results in the country indicate that the aforementioned year was the worst, economically speaking, in the history of Lebanon, which this year entered in effect into a phase of economic collapse whose form and appearance have been made evident by more than one indicator and on more than one front, such as the following:

First, with respect to the national currency: The exchange rate of the Lebanese pound recorded a big fall against the American dollar and major European currencies which was the largest since the Lebanese war began. The value of the pound fell by more than 120 percent against the dollar, by 103 percent against the German mark, by 102 percent against the Swiss franc, by 99.5 percent against the pound sterling, and by similar percentages against the French franc, the Belgian franc, and the Italian lira. This enormous and striking decline in the exchange rate of the pound has led to an almost complete collapse in the value of the national currency, which lost much of its strength and much of the international financial confidence in it. That also caused an increase in the rate of inflation in the country, and inflamed the severity of the social and living crisis.

Secondly, with respect to general economic activity: General economic activity in the country recorded a serious decline in 1985 which took on the form of a complete standstill that gripped various economic activities including industry, trade, and real estate. On the industrial front, there was a continuation of the crisis in the industrial establishment arising basically from the huge decline in the volume of production recorded for the aforementioned year (about 50 percent), which in effect aggravated the problem of the industrial sector and caused many establishments to halt operations and lay off their workers. The industrial sector has also suffered from problems with exchange, both at home and abroad. With respect to commercial activity, the closing of the crossing points between the two halves of the capital, Beirut, and the subsequent disruption of communications between many Lebanese regions as a result of the many cycles of violence in which 1985 abounded caused a hard and effective blow to be directed against domestic commercial activity, which fell by 60 percent from what it had been in 1984. Foreign commercial activity also fell by 40 to 55 percent from what it had been in 1984, which caused a drop in the volume of customs revenues.

As for real estate activity, real estate operations, both buying and selling, have come to a complete standstill because of the worsening security and political situation and the increasing severity of the economic crisis in the country, so that this sector, which was the most active in years past, has today become the weakest sector in the economic chain.

Thirdly, in the field of banking activity: In 1985 the banking sector saw a deepening of the crisis because of the increasing severity of the crisis in the economic sectors that deal and interact with it, and also because of the work difficulties faced by this sector, beginning with the long and repeated cut-offs in international communications between Lebanon and the outside, then the series of continuous attacks on bank branches, and finally the scarcity of feasible investment opportunities and the increasing flight of foreign banking establishments, so that banking activity had come to be limited in 1985 to treasury bond subscriptions and speculation in the currency market, and nothing else. But it should be mentioned here that banking deposits recorded a noticeable increase during the aforementioned year, since the volume of these deposits rose from 45 billion pounds in 1984 to 54 billion pounds by the end of November 1985. But this increase was a burden on the banks and not a blessing because they do not have the needed fields for investment, so it is reflected as an inflationary factor on the banking sector.

Fourthly, with respect to the state treasury: The serious drain on the state treasury continued in 1985 because of the continuation of political and security pressures that used to and still do prevent the government from extending its authority over most of Lebanon. As a result of that, the state continued to lose the greater portion of its customs revenues to the operators of illegal ports, and it also continued to be unable to collect various fees and taxes, which increased the size of the deficit in the government budget, subsequently increasing the size of the internal debt, which at the end of November 1985 recorded 45 billion Lebanese pounds, compared to 31 billion pounds in 1984. Also, the deficit in the planned budget for 1986 is estimated by the government at 7 billion pounds, but this

figure is expected to reach 11 billion pounds in spite of the decision to raise the price of fuels made by the government in the last term of 1985, and to repeal fuel subsidies. In addition, we must not forget here the inflation factor and its effect in increasing the size of the economic and social problem, since the rate of inflation is expected to be recorded at more than 70 percent at the end of 1985.

Local economic and financial experts believe that the aforementioned economic and financial indicators are a clear indication of the size and depth of the economic crisis that Lebanon experienced in 1985 because of the continuation of the Lebanese crisis, and that this crisis has in effect brought the Lebanese economy to the point of the start of a collapse. It will be a final collapse, and it will occur in 1986, according to the government itself, if the process of reaching a political accord and closing the "file of the Lebanese war" is not speeded up.

12547/9435
CSO: 4404/227

NEW CRISIS FOLLOWS FAILURE OF TRIPARTITE ACCORD

London THE MIDDLE EAST in English Mar 86 pp 39-42

[Article by William Harris]

[Text]

Since the mountain war of September 1983, the Lebanese crisis has entered its longest and most difficult phase: a process of unremitting violence, exhaustion and reduction, with no end in sight. By early 1986, despite more than two years of battles and the flight of countless refugees, Lebanon seemed caught in the trap of a double stalemate. On the internal stage, as ever, the hammer of Muslim aspirations struck the anvil of Christian resistance; while, from outside, the conflicting fears and ambitions of Syria and Israel fuelled an apparently interminable confrontation-by-proxy.

Furthermore, the frustrations of a long deadlock, combined with manipulation by external factors, caused an unprecedented splintering within the two major sectors (Christian and Muslim). This took an inter-party form amongst the Christians and a sectarian form between Shiites, Druze and Sunnis.

Over the last two and a half years, violence within sectors has regularly alternated with violence between sectors, an additional complication being that this has provided opportunities for a resurgence of autonomous Palestinian military power in the squalid refugee camps of Beirut, Tripoli and the south.

Strategic integration

After his victory in March 1984 in securing Lebanese abrogation of the 17 May 1983 agreement between Lebanon and Israel – an undoubted threat to Syria's flank – President Hafez al-Assad turned to the task of stabilising Syrian control over Lebanon. He sought a new Christian/Muslim constitutional compact, with Syrian influence deeply embedded in a reconstructed political and military apparatus. This ambition to achieve, in effect, a Syrian/Lebanese confederation under Syrian guidance was later referred to by the code-term "strategic integration" – a term frequently invoked in the Damascus accord.

The war in Lebanon since September 1983 can best be conceived as a struggle over which of two diametrically-opposed tendencies would dominate the next phase in Lebanon's history.

First, there was the tendency towards greater communal fragmentation, militating against control of Lebanon by any single external power. This promised to make the country a perpetual arena for competing external elements, including Israel and the Palestinian organisations.

The second tendency was the Syrian drive to establish and stabilise Syrian dominance over the various communities. This meant, in the long run, the enforced centralisation of authority.

Syria's main problem was that its capabilities did not match its ambitions. Constraints, whether from Israel, the West or the Arab states, made the large-scale use of Syrian armed force difficult. In any case, Syria feared the consequences of direct military intervention in the sprawling urban mass of Beirut, having already had its fingers burnt between 1978 and 1982.

This fear was obvious to the Lebanese factions.

Syria thus found itself reduced to using indirect methods: relying on the exhaustion produced as the parties collided with one another, with some judicious steering from time to time. Betting on fragmentation, however, in the hope that exhaustion would eventually facilitate a healing process, has proved a dangerous option. As a strategy it reflects weakness rather than strength, and it could entrench cantonisation – something Damascus has opposed both as an ominous precedent for Syrian cohesion and because of the extreme complexities of managing a multi-faceted Lebanon.

The December accord

The 28 December 1985 agreement between the leaders of the three major Lebanese militias – the Christian "Lebanese Forces", the Shiite Amal movement and the Druze-led Progressive Socialist Party (PSP) – was an important step in the Syrian drive to produce a new Lebanese order by slow, patient pressure.

Throughout 1984 the Syrians had tried to operate through Lebanon's official institutions – the presidency and the cabinet – but this attempt had collapsed due to the exclusion of the main dynamic element in the Christian sector: the Lebanese Forces. In 1985 the Syrians switched the emphasis to the militia leaders (or "effective factors", in Lebanese jargon), bypassing the Lebanese "legitimacy" – in particular President Amin Gemayel.

Such acceptance of the Lebanese Forces soon produced what seemed a spectacular success for Syria – the signing, in Damascus, of the December agreement.

According to correspondence between the chairman of the executive committee of the Lebanese Forces, Elie Hobeika, and Syrian Vice-President Abdel-Halim Khaddam – as leaked to the Paris-based weekly *El-Yaum al-Sabi* – Hobeika had been ready, as early as last August, to accept the Syrian concept of "strategic integration" in military, political, economic and cultural matters.

In exchange, he received Syrian assurances concerning the retention of a Maronite president and continued substantial Christian participation in the Lebanese political system. On the issue of "the distinctive relations between Lebanon and Syria", Hobeika's letters set out, word for word, what appeared in the Damascus accord four months later.

The Muslim response

In view of the hostility to the agreement in *both* sectors of Beirut, it is difficult to believe that the Syrians considered the arrangement conclusive. Presumably they anticipated trouble but regarded the accord as a first step towards a final settlement involving both the armed groups and the Lebanese government, after a period of inter-factional attrition.

Contrary to the impression created in the Western media that Lebanese Muslims whole-heartedly supported the agreement, opposition in West Beirut was widespread and deep-seated. Apart from the usual lip-service to Syrian requirements, only the Amal leadership displayed any genuine attachment to the agreement – as it promised the Shiite community concrete constitutional gains which might enable Amal to hold off the rising fundamentalist tide.

For other Shiites, however, including both the fundamentalists and elements in Amal, the limited constitutional shift in favour of the Muslim sector gave them far less than they considered their due. In the Sunni community, verbal approval barely concealed anger at having been virtually ignored in the Damascus negotiations.

As for the Druze, a senior PSP personality dismissed the agreement out of hand, telling *The Middle East* that it bore no relation to Lebanese reality, and that no end to the war was in sight. Druze coolness hardly came as a surprise as – again, contrary to Western press reports – it was the Druze, not the Christians, who stood to lose most from implementation of the agreement. They particularly feared the removal of communal autonomy and security with the return of Christian refugees to the Chouf mountains – a key part of the Druze heartland south of Beirut.

The open assault on the agreement, however, came from the Christian sector, no doubt watched with private satisfaction by many in West Beirut who were vociferously calling for Gemayel to go. The speed, ferocity and effectiveness of Maronite repudiation of the accord clearly caught the Syrians by surprise. This raised new questions about their ability to interpret Lebanese Christian politics.

The Christian response

Warning signals as to the likely fate of the Damascus accord were apparent in East Beirut even before the signing.

Support for the detail of the proposed agreement, as opposed to support for the principle of having an agreement, came only from Elie Hobeika and his close circle.

Even in the Lebanese Forces executive committee, there was a six-six split on the issue, with three abstentions: only Hobeika's casting vote, as chairman, tipped the scales. Also, Christians remained unconvinced by the argument that an arrangement widely viewed as abject capitulation to Syria (and to West Beirut) represented the "least bad" option if the semblance of a Christian role in a restructured Lebanon were to be preserved.

Hostility to the accord came from three main sources, which encompassed almost the entire Christian leadership in East Beirut.

Betting on fragmentation has proved a dangerous option

● President **Amin Gemayel** and the **Kataib** (Phalange) party command opposed the accord because the presidency had been bypassed. More particularly, they opposed the erosion of Maronite constitutional prerogatives involved in the reduction of the president's powers, and the movement towards full political deconfessionalism.

There is also a suspicion that Gemayel was encouraged to dig his heels in by the American embasssy in Beirut, as revenge against Syria for wrecking the 17 May 1983 agreement crafted by Secretary of State George Shultz.

● The military chief of staff of the Lebanese Forces, **Samir Geagea** – along with the bulk of the militia rank-and-file and at least half the militia leadership – reacted angrily against what they saw as complete Christian surrender. To them, armed resistance from the fortress of the Christian heartland represented the "least bad" option. Whereas the Syrians might hope eventually to bend Gemayel to their will by once more treating him as their main Christian interlocutor, there was little chance of this with Geagea.

● The high command of the three mainly Christian brigades of the **Lebanese army** (the second, fifth and eighth brigades) – the backbone of East Beirut's armed might in the event of a direct showdown with Syria – objected to the clause which called for the army's return to barracks and its complete reconstruction, by implication under close Syrian supervision. This would mean the demise of these brigades under what Christian commanders regard as insulting conditions. In their eyes, only military defeat could lead to the acceptance of such terms.

Geagea had tolerated the negotiation of the accord only on the tactical grounds of gaining time while West Beirut floundered deeper into anarchy. After the signing, however, any argument for co-operation with Hobeika vanished. The forces opposed to the accord prepared to mount their challenge.

Geagea received the backing of the powerful Maronite monastic orders headed by Abbot Bulos Naaman, and co-ordinated his actions with President Gemayel, apparently using ex-President Camille Chamoun as an intermediary. Even though Hobeika was the intelligence chief of the Lebanese Forces as well as chairman of its executive committee, he seems to have had little inkling of the coup being hatched against him.

On 15 January his opponents struck, crushing the Hobeika loyalists in a few hours of fierce fighting in which up to 300 were killed. Hobeika was packed off into exile. His subsequent return to Lebanon under Syrian patronage only confirmed his status as a spent force in the Christian arena.

Outlook for the Christians

At first glance the Christian sector's position would seem desperate. The population, facing a major new round of fighting, is tired and confused and is united only in its dislike of the Damascus accord in its present form. Inflation and the continuing decline of the Lebanese pound mean that poorer Christians face real hardship. Last but not least, the army and militia are heavily outnumbered vis-à-vis the Syrian forces.

Nonetheless, as the community faces the abyss, there is a toughness and truculence in the Maronite stand which should not be underestimated. Also, the fact that peripheral Christian areas such as the Chouf and Zahle have already collapsed, in earlier rounds of fighting, means that opportunities for pressuring East Beirut by squeezing outlying Maronite areas have diminished.

The Maronites may be disoriented and desperate – but so are all the Lebanese. Sectarian splintering in West Beirut may well have passed the point of no return, and the economic degradation of the western half of the city makes East Beirut, even *in extremis*, look relatively prosperous.

Moreover, the Amal movement, exhausted by its exertions against the Palestinian fighters in last June's "war of the camps", is so distracted by Iranian, Israeli and Arafatist manoeuvrings – in both West Beirut and the south of the country – that its ability to play an effective role on the main front is in doubt.

Syria evidently hopes that economic and military pressure, chiefly through sporadic militia bombardment and Syrian military concentrations, will stimulate renewed dissension in East Beirut between Geagea, Gemayel and political elements in contact with Syria (for example, the independent Maronite political bloc).

This might eventually bring a weary Christian majority back to something closely resembling the Damascus accord. However, in view of problems among Syria's allies and the possibility of further Palestinian and Israeli activity threatening Syrian paramountcy, such an outcome hardly rates as a certainty.

For example, the question arises as to how far Syria can rely on its Maronite ally ex-President Suleiman Franjieh in putting serious pressure on the northern front of the main Christian enclave. Franjieh's conversion to support for the accord came so late as to suggest it was merely a tactical manoeuvre to satisfy Damascus, after he had assured himself the accord would collapse anyway.

Time is important for Syria, as to allow the current setback to persist would have implications for Syria's regional position. Thus an assault with Syrian participation behind a proxy screen – probably against Gemayel's home town of Bikfaya – becomes a distinct possibility.

Lebanon's population

Shiites	1,100,00	(30%)
Maronites	900,000	(25%)
Sunnis	750,000	(20%)
Greek Orthodox	250,000	(7%)
Druze	200,000	(5%)
Armenians	175,000	(4.8%)
Greek Catholics	150,000	(4%)
Other Christians	50,000	(1.2%)
Total	**3,575,000**	

Note: Lebanon has had no official census since 1932. These estimates were published in **Lebanon: A conflict of minorities** (Minority Rights Group, London, November 1983).

For the moment, Assad may be deterred by warnings from the United States and Western Europe not to unleash an invasion of the Christian sector. He is also well aware that the fighting would be very severe – and perhaps complicated by Israeli reactions using the South Lebanon Army and the Israeli airforce. But if he finally concludes that other options are useless, the Lebanese crisis could enter an even bloodier and more unpredictable phase.

A Crisis of Leadership

"There is a crisis of leadership within the country's two biggest communities – the Maronites and the Shiites," says a Lebanese political analyst. "Both Amin Gemayel and Nabih Berri face major challenges to their authority."

Temporarily at one in their hostility to the Syrian peace plan, many Maronites have rallied behind President Gemayel – even those who mistrust him most, such as Samir Geagea, the hawkish young boss of the Lebanese Forces militia. It is a curiously Lebanese irony that Geagea first came to prominence a year ago when he challenged Gemayel over his "pro-Syrian" policies.

To put pressure on Gemayel, the Syrians are anxious to drive wedges between Christian and Christian. But their two principal instruments – the ousted Lebanese Forces chief Elie Hobeika and ex-President Suleiman Franjieh – are isolated because of their Syrian sympathies.

The position of Shiite leader Nabih Berri, meanwhile, looks much less impressive than it did last year, when he achieved international acclaim for his role in defusing the TWA hijack crisis.

Now he is under fire from several directions. His main critics are Shiite fundamentalists who consider him too secular-minded. "One charge against Berri," explains a Lebanese journalist, "is the extent of his support for the Syrian peace plan signed in December. Another is that Amal, the main Shiite militia, has been infiltrated by communists and Marxists."

As a result, Berri's writ runs only in Beirut, if there. The Iranian-inspired Shiites of the Bekaa valley, east of Beirut, have gone their own way. So have the Shiites of the south, who are now virtually autonomous from the rest of Lebanon. Geographically dispersed, the Shiites have had no truly national leader since the disappearance of Imam Musa Sadr.

Other communities – with the possible exception of the relatively homogeneous Druze – are also in bad shape. "For the Sunnis," argues a Western commentator, "the crisis is not so much one of leaderlessness as powerlessness."

Some argue that Lebanon's old system of *zaims* – communal patrons – has started to break down. Others see a growing generation gap, as the young become impatient with the old warlords who have dominated Lebanese politics for so long.

Voices of Discord

The Lebanese are ever ready to diagnose their own affliction. "For 11 years we have been unable to create peaceful coexistence among ourselves," laments a clergyman. "We need help from outside – and only Syria can give it."

A businessman disagrees. "Syria wants to dominate us, and the Lebanese will never accept that. It is up to us to root out this disease of sectarianism: no one else can do it for us."

Others blame Israel. "Until the Arab-Israeli conflict is solved – and it may never be – Lebanon will not be at peace. We are vulnerable to every regional upheaval," says a student.

Many feel betrayed by the West, or by the world in general. "The West describes us as an island of Christianity in a sea of Islam – but does nothing to save us," says the clergyman bitterly. "Western interference – particularly when the US marines arrived – has only made things worse," counters the businessman.

Since the disastrous American intervention in 1983, many blame Washington for ignoring Lebanon altogether. "It has dropped below the horizon," observes a diplomat. "It is simply a place where a number of Americans are being held hostage."

"The immediate prospect," predicts a journalist, "is one of intensified intra-communal strife. Gemayel will not go: too many people need him. Assad will not intervene directly: America and Israel have drawn a 'red line' which he knows he cannot cross.

"The Lebanese will be left to fight it out among themselves."

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CSO: 4400/134

SYRIA

TRADE MINISTER OUTLINES AIMS OF 5-YEAR PLAN

Beirut AN-NAHAR ARAB REPORT & MEMO in English 20 Jan 86 pp 26-27

[Text]

When you took over as Minister of Economy in July 1985, it was expected that you would introduce new economic policies, specifically that of Infitah (Open Door Policy). Have you adopted such a policy?

Syria's economic policy is based on a view of development formulated at the beginning of the Corrective Movement and on guidelines provided by President Hafez al-Assad. Our policy is based on several principles.

The first is that this country's wealth lies in its resources. Thus, the state's function is to ensure that such wealth is exploited to its fullest for the good of the people and with a view to attaining social justice.

By the same token, we consider that this country's human potential is its most important resource. Finally, we believe that the public sector, as in most developing countries, is the pillar of the development process.

Given that the human potential is the most important resource, the state must do its utmost to see to it that it is tapped to the fullest in a manner which coincides with our development plan's objectives.

So what we are talking about is not a policy of Infitah, rather a policy which would strive to expand the investment potential of the country's resources. The term Infitah has taken on political overtones. So, in Syria, we do not like to talk of Infitah. We are looking at creating new opportunities for private investment by Syrians, Arabs or Syrian immigrants. We are looking for new work opportunities, new ways of facilitating a person's attempt to earn a living and we are trying to do away with the various obstacles that are an inevitable part of the routine manner in which a national economy is run.

To that end, the government has drawn lists of opportunity areas for private investment in the agricultural and industrial sectors. Defining those areas is important because the need to encourage the private sector has always been acknowledged. Joint private sector projects cannot be nationalised, confiscated or taken over by the public sector. So, the first step was defining opportunity areas and making those known to investors.

What are the changes in terms of targeted opportunity areas?

Private and joint venture investments can now be made freely in a large number of agricultural projects, land reclamation projects, farms, dairy farms, various food industries as well as light industries such as textiles, chemicals and construction. Those areas were chosen to coincide with the aims of the development plan as well as to complement, rather than compete with, the public sector's activities.

Other steps have been taken to pave the way for joint venture projects between the state and the private sector whether Syrian, Arab, or immigrant Syrian. Many Syrians do not know of the different incentives currently offered by Syrian law.

The 1969 Legislative decree 343, as well as many other laws, offer such incentives for the tourism sector. One particular decision relating to touristic projects offers tax incentives and allows investors to open accounts abroad. It also allows up to 70 percent of a project's profits to be retained and used to cover import needs.

Syria's private sector also faced the problem of securing its raw material needs. So another decision raised import quota restrictions and offered a series of exemptions. Furthermore, the industrialist no longer needs to wait for the necessary paperwork to import his raw materials. The agricultural sector has benefited from a similar law which allows for the importation of any raw material.

We have also done away with the differences in the treatment of Syrians and Syrian immigrants. Syrians now have the same rights as immigrants who had long been allowed to maintain a foreign currency account in Syria to cover import needs. Thus, both categories of Syrians now enjoy the same privileges with regard to import rights. These decisions have helped create the necessary climate for investment and has provided the private sector with most of its primary products needs.

On the other hand, we are now at a stage where, as most developing countries, we need to increase our export levels. So the state licencing committee decided to apply the tourist's rate of exchange on all Syrian exports, whether private or public. Of course, this kind of

measure has helped sooth the fears of both the private and public sector and there is now a real incentive and a real desire to export.

Those are the first steps towards creating the right climate for the productive sector. We don't consider these steps to be part of a process of Infitah. They are rather an attempt at re-directing economic priorities.

Syria's 1986-1990 five-year plan seems to have targeted the agricultural sector as one of its main priority areas. What are Syria's aims in terms of the agricultural sector?

Food security is an important subject in the Arab world. Syria is one of the few Arab states that has been able to achieve a high degree of food security. Our agricultural production can cover 68 percent of our food needs. But it is still not enough considering that Syria was a food exporter. It must work to regain its former position as an exporter of various agricultural products.

The 1986 plan focuses on the agricultural sector. In the past, the agricultural sector accounted for 21 percent of GNP. This is a good level of contribution but the new plan is attempting to increase the sector's share.

In the 1986 plan funds allocated to the agricultural sector have increased by about 17 percent over 1985 level. This is a big increase for one year. Syria's agricultural potential is huge and what has been accomplished so far augurs well for the future, if rainfall levels are sufficient and if Syria is able to ensure the necessary amount of water from the Euphrates. Turkey has built several dams on the Euphrates and this has caused difficulties for Syria because it has resulted in water shortages.

Are there any negotiations currently under way to solve the crisis between Syria and Turkey over the use of the Euphrates river?

The point is that the Euphrates is an international river. Turkey's building of dams on the river greatly affects the amount of water available to Syria. The water shortage has put several strains on Syria.

First, the water shortage has affected the amount of electricity generated by our Euphrates hydroelectric station. If the Euphrates flow was as strong as it used to be, Syria would not be suffering from a shortage of electricity.

Second, the bulk of our energy needs is provided by hydroelectricity. So, not only are we suffering from power shortages but we have also been forced to rely increasingly on thermal energy to cover our energy needs. This has meant that our fuel consumption rate has increased.

Iraq has been equally affected by the Turkish dams and this is an important matter to us because the Euphrates river provides three-quarters of our water needs.

We hope that Turkey will consider the matter of riparian rights. It must allow water to flow to Syria and it must cooperate with us in drawing up plans to ensure that Syria receives the amount of water necessary to meet its energy needs. We will continue our contacts to achieve that.

What are the other priorities of the next five-year plan?

In terms of projects, priority has been given to completing those under construction and under implementation so we can benefit from them as soon as possible. In terms of sectors, the agricultural sector is the main priority, followed by the industrial sector. In the latter sector, the emphasis is on exploiting our new oil discoveries. We have recently made several oil discoveries which should help expand our oil production.

The levels of oil discovered are said to be between 70,000 and 100,000 b/d. Are those estimates correct?

I do not have details on the discoveries, but it is estimated that, within two years, they will yield at least a quarter of Syria's current production level which is around 8.5 million tonnes a year. Assuming a million tonnes are worth about $170 million, the new discoveries will be an important source of revenue.

Our expectations are that the increase in oil output will be felt in 1987, not before. We therefore expect to see a major improvement in the economic situation from 1987 on.

Could you expand on Syria's economic ties with Lebanon and the issue of economic complementarity?

We are ready to cooperate to the fullest on trade exchanges, production projects and specific ventures in either country or abroad. We are also willing to coordinate monetary and banking policies as well as coordinate positions when dealing with international institutions.

Syria and Lebanon were part of a single economic unit for many centuries. The economic split did not occur until 1950. Since then we have been trying to overcome the consequences of such a split.

The fact is that Lebanese products are entering Syria whether they are allowed to or not. To both Syrians and Lebanese, the frontiers are only on paper. Trade exchanges between Syria and Lebanon are a matter of course. Agreements meant to legitimise and encourage the complementary nature of the two countries would only be putting the seal on a "fait accomplit". They would not signal the beginning of a new trend.

Jordanian-Syrian economic ties were maintained throughout the period of diplomatic tension between the two states. Are there any plans to improve them following King Hussein's visit to Damascus?

President Assad has always insisted on the necessity of maintaining Syrian and Jordanian economic ties irrespective of the state of other ties. Economic cooperation between the two countries is reflected in several joint Syrian-Jordanian ventures in land transportation, shipping and industry. All companies continued to operate despite the situation.

Trade exchanges continued as well, within the framework of existing bilateral agreements, those of the Arab Economic Unity Council and those of the Arab Common Market. The efforts made to improve diplomatic relations between the two states will definitely enhance their economic cooperation.

/9317
CSO: 4400/133

20 SOVIETS REPORTEDLY EXECUTED FOR REFUSING TO FIGHT

Kuala Lumpur NEW STRAITS TIMES in English 15 Jan 86 p 15

[Text]

ISLAMABAD, Tues. — Twenty Soviet soldiers were executed in the southern Afghan city of Kandahar last month for refusing to fight with Afghan troops against Muslim resistance there, Western diplomats said here today.

The Russians apparently feared the Afghan troops would defect to the resistance during any fighting, they said quoting reports from Kabul.

The diplomats also reported such a defection, saying 400 Hazara Shi'ite tribesmen given Kalashnikov assault rifles and six months' pay in early December to work as pro-government militia quickly went over to the resistance near the southeastern city of Ghazni.

They encircled the Afghan troops and, on Dec. 15, 250 soldiers also joined the resistance, the diplomats added.

Afghan exile sources had no information on the reported Kandahar execution, said to have taken place in early December.

But they confirmed that the Hazaras had defected around Jaghori, 100 km southwest of Ghazni, and that fighting there continued. They said the Ghazni provincial governor had personally paid the Hazaras when their militia was formed.

The diplomats said Soviet forces bombarded bazaars in the centre of Kandahar on Dec. 31 after a Soviet soldier was killed by sniper fire there four days earlier on the sixth anniversary of Moscow's intervention in Afghanistan.

They reported many civilian casualties in the initial bombing and six deaths on Jan. 6 in another attack.

About 20 to 25 troops have been killed during intensive searches recently of Kandahar's Bagh-i-Omumi area which is suspected of being a resistance stronghold, they added.

Afghans arriving in the nearby Pakistani city of Quetta said Soviet troops were indiscriminately bombing civilian areas of the city. — Reuter

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END

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Near East/South Asia Report

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9 April 1986

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EGYPT

PRESS DISPUTES, HAYKAL RETURN TO PRINT DISCUSSED

London AL-MAJALLAH in Arabic 25-31 Dec 85 pp 70-71

[Article: "Struggle on Columns of Egyptian Press: Outwardly 'Political' and Inwardly 'Personal'"]

[Text] Cairo--Observers expect the Egyptian press arena to witness considerable activity in the next few months. New publishing houses have begun their activities, new papers have begun their countdown, and prominent journalists who had disappeared because of political circumstances are on their way back to their readers.

One of the factors expected to make the press arena hotter is the intensifying competition between the partisan papers on the one hand and the national papers on the other to attract the reader by exploiting the minimum limit of the margin of freedom available to them. Another factor is the intensifying battle between the partisan papers themselves.

There are now in Egypt six legitimate parties engaging in their activity in accordance with the parties law. Each of these parties has its mouthpiece. The first partisan paper was AL-AHRAR, which was published by the Social Liberal Party. It was followed by MISR, which was issued by the ruling Misr Party at the time and which came to a halt with the dissolution of the party.

At present, the Egyptian partisan paper with the highest circulation is AL-WAFD, organ of the New Wafd Party, with a circulation of approximately 1/2 million copies (450,000), according to statements by the paper itself. However, it is not easy to determine the newspaper's circulation in Egypt.

The partisan paper with the second highest circulation is AL-AHALI, mouthpiece of the leftist National Progressive Unionist Grouping, with an average circulation of 100,000 copies.

A struggle has been going on for a considerable time between AL-WAFD and AL-AHALI. This is normal, considering the tendency each paper represents. AL-WAFD is the right's mouthpiece whereas AL-AHALI is the left's mouthpiece. Whereas AL-WAFD flies the banner of the attack on the July revolution, its accomplishments, and Jamal 'Abd-al-Nasir, AL-AHALI stands in the face of this attack in an attempt to defend the July revolution and accuses AL-WAFD of aligning itself with the rich against society's toiling majority.

Thus, each newspaper's main preoccupation has become that of repelling the attack and refuting the accusation made by the other paper. The battle is not new but dates back to the end of the parliamentary elections which had dictated that all the opposition parties unite in order to insure seats in the parliament.

After those elections which took place at the end of May 1984, a clear conflict surfaced between the opposition forces and parties and was reflected in their papers. AL-SHA'B, the Labor Party organ, began to attack AL-AHALI, the Grouping Party's mouthpiece, and both attacked AL-WAFD.

AL-MAJALLAH interviewed a number of the journalists concerned. Muhsin Muhammad, an ex-chief editor of AL-JUMHURIYAH, said: "All this is normal because all these forces are conflicting forces which were united by electoral circumstances and by the desire to attain a percentage permitting them to enter the parliament. Therefore, it was natural for an agreement to take place and then to be turned into conflict and infighting in the post-election period."

Muhsin Muhammad asserted that this struggle is a healthy sign and an indication of development, saying: "Whereas the partisan papers used to attack the national papers, they now attack each other and the competition has intensified. This competition will undoubtedly lead to revealing the truth to the reader so that he may distinguish truth from falsehood in what is published on the newspaper pages."

The struggle between the partisan papers has given rise to the question: Will the papers regress to their pre-1952 form and will the honeymoon between them come to an end?

To answer the question, one has to backtrack a little. The partisan press in Egypt has an old history and Egypt was among the first Third World countries to adopt the multi-party system when the first parliamentary assembly was formed in 1923. The multiplicity of parties was coupled with the emergence of the opposition press. But in the wake of the revolution, Egypt embraced the single-party system and, consequently, the opposition press disappeared only to reappear when Anwar al-Sadat allowed the freedom to form parties. The opposition press had come to speak for these parties and it has gained an influential role in the political street, even though this role has not yet matched the role this press played prior to 1952. This is due to the limited role performed by the parties in the political street. Some have even described this press as a "press without parties."

As to the role which the opposition papers must play in order to be influential in the political street, political journalist Ahmad Baha'-al-Din said: "These papers must remain fundamentally papers addressed to a political public concerned with the issues they raise and must devote more attention to printing and form, provided that they are not turned into ordinary papers."

He added: "The partisan papers continue to focus on certain issues. They do not have the resources for independent printing. Therefore, their circulation

will continue to be influenced by the political seasons and by the presence of hot political issues in the arena."

Dr Khalil Sabat, a professor of journalism at the Information College, stressed that "the opposition papers are wrong in their approach to news reports because the crushed Egyptian citizen who suffers great hardships in his daily life looks in the newspaper for the report that helps him alleviate his hardship. This is something which the partisan press has not realized yet."

Dr Sabat added: "This is a reason for the drop in the partisan papers' circulation--a circulation that does not represent a good percentage in comparison with what it should be. These papers give the reader no hope of a better future. They focus on the poor aspects of society to such a degree that the vigilant reader finds that there is no salvation from these poor conditions."

Mustafa Amin refuted this accusation and stressed that "the opposition papers have played an important role in an endeavor to establish real democracy in Egypt. However, we must not forget that they encountered tribulations and crises and that they returned to life and stability only a short time ago after they had been suspended, confiscated, and saddled with enormous financial losses."

Ibrahim Shukri, the Labor Party chairman, said: "What Dr Sabat said is true to a degree. But my opinion is that countering the doses of criticism, which some say are given without mitigation or dilution to make them palatable, there are all the national papers, which some call governmental, that frequently offer 'rosy' pictures. Thus, we can create some sort of cooperation [presumably meaning balance]."

Shukri added: "If we add to the national papers what is broadcast by the various media, including radio and television, we find that what is published in all the opposition papers does not amount in terms of capabilities to one-tenth of the capabilities of the means available to the government party."

All the press circles are watching the current situation cautiously now that the chief editors of the opposition papers come from one school, namely AL-AKHBAR school. These chief editors include Mustafa Shardi, the chief editor of AL-WAFD; Mahmud 'Awad, the chief editor of AL-AHRAR; and 'Adil Husayn, the chief editor of AL-SHA'B." The question is: will the disciples of the same tributary fight?

Even though the struggle between the partisan papers seems to be strong and fierce, it is obviously marginal when compared with the declared war between the partisan papers and the national papers. Musa Sabri, the ex-chairman of AL-AKHBAR Executive Board, is one of this war's most prominent knights. It seems that he has opened fire on all the partisan papers and that none of them has escaped his biting criticism which he continues to be entitled to publish in AL-AKHBAR.

AL-MAJALLAH has learned that he was the primary instigator of the problem of combining work in the national press and the partisan press and that his instigation reached the point of motivating President Husni Mubarak to instruct

Dr Subhi 'Abd-al-Hakim to put an end to the phenomenon of combining work in the national and partisan papers.

Even though the dispute between the national and partisan papers is outwardly political, its motives may be personal. This explains the secret behind Musa Sabri's biting attack on Khalid Muhyi-al-Din and Fu'ad Siraj-al-Din, even though Sabri denies this and says that his personal relations with all those who attack him are good, rather excellent, and that when they meet in gatherings their meetings are always warm. But this does not preclude expressing one's viewpoints, even sharply, because the issue is ultimately one of viewpoints and not an issue of personal disputes.

This is confirmed by the step taken by Ibrahim Sa'dah, the chief editor of Cairo's AKHBAR AL-YAWM, who invited writer Muhammad Hasanayn Haykal to resume writing his weekly article, "Frankly Speaking." Sa'dah said: "This was a personal, not a political, decision, contrary to what some people thought. There are no absolute invariables or absolute hostilities. Therefore, there is no objection to Haykal resuming "Frankly Speaking" in AKHBAR AL-YAWM, the newspaper which led the war on Haykal after he published "The Autumn of Wrath."

Despite this position on the part of Ibrahim Sa'dah, the information available to AL-MAJALLAH indicates that a political decision was made to ban Haykal from writing finally when the report of his resuming publication evoked fierce political reactions because some thought that Haykal's return of the Nasirist era, one of whose symbols is embodied in Haykal. Therefore, a decision was made not to allow Haykal to resume publication again.

But whether Haykal returns or not, this does not disprove that personal disputes ultimately overwhelm the democratic style of dialogue experienced by the Egyptian press. Expressing his opinion on the battle, one writer finally told us: "The difference of opinion does not ruin the cause of friendship. Our main issue is development. No personal differences encountering our system of implementation should concern us as long as the objective is the same, namely to work for Egypt's good."

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DANGER OF UNDERGROUND ECONOMY ANALYZED

London AL-SHARQ AL-AWSAT in Arabic 31 Jan 86 p 4

[Article by 'Imad-al-Din Adib: "Egypt in 1986: Major Confrontation Between 'National Economy' and 'Underground Economy'"]

[Text] Cairo--The Economy has never been as much the axis of politics as it is these days. Since Muhammad 'Ali Pasha modernized the Egyptian economy, all of the country's challenges have centered primarily on independence and on the liberation of the national soil. At present, the social issue projects itself with the force of the segments reflecting it.

What is new this time is that the struggle of the social forces in Egypt is not just a struggle for control of the market, i.e. control of the laws of supply and demand, but a struggle that seeks to steer the rudder at the level of political decision making.

Under the canopy of this struggle activity, Egyptian President Muhammad Husni Mubarak deals with the parties in a delicate quadrangle, namely the presidential institution, the ruling party, the businessmen, and the opposition. All compete to influence the man in the street, who is striving for a better livelihood. A number of questions surface here: What is the position of the four parties to the debate? What is the nature of the language of dealing and dialogue among them? What is the businessmen's influence on political decision making? What is the presidential institution's position toward them? What is the impact of this debate on the Egyptian economy? Why hasn't the disagreement been settled? What is the stance of the various factions of the Egyptian opposition toward this debate?

This report from Cairo is an endeavor to dot the i's and cross the t's and to offer a future picture of the ongoing debate over what may be called the "Egyptian underground economy."

One cannot talk of the Egyptian economy at present without backtracking to the early 1960's when a blow was dealt against Egyptian business and feudal capitalism through what became known at the time as the nationalization decrees for a transformation to socialism.

As a result of that blow, Egyptian capitalism split into three tendencies:

The first tendency was to emigrate from Egypt for good and to start a business abroad, relying on capital previously smuggled out of the country or on business connections.

The second tendency was to stay in Egypt and freeze business activity, living off some assets that had not been affected by the nationalization process. This tendency continued to be one of a watcher waiting for the opportunity to return.

The third tendency was embodied in an active group of capitalists who were able, through their connections with some symbols of the Egyptian military establishment who had gained prominent civilian positions in the production and service sectors, to carry on with their role through private-sector projects producing goods subsidized by the state. This group also became active in the contracting sector, considering that the state cannot shoulder alone the burden of building and construction.

When the late President Muhammad Anwar al-Sadat assumed power in Egypt, he launched a series of measures which affected the three groups into which Egyptian capitalists had split.

The decrees lifting sequestrations and ending a number of nationalization measures and the launching of the so-called open-door economy measures came as an invitation to the factions of Egyptian capitalists to resume their roles--roles which were supposed to be calculated and defined by the invitation maker. But what actually happened is that the invitation to Egyptian capitalists to return was an open invitation, with no controls or guarantees for or against it.

As a result, the positions of the three currents of Egyptian capitalism during al-Sadat's era varied as follows:

The first tendency, which had left Egypt, returned to engage in part in some activities timidly and to probe the pulse of the business market. Most of the activities of this returning part centered on representing foreign firms, considering that this activity is the safest activity in case the market experiences a coup and regresses to its previous condition. Most of those who had launched business ventures abroad began to deal with the Egyptian market but maintained their position abroad. They dealt with the Egyptian market as an impermanent and unstable market.

The second tendency, which had stayed in Egypt and had frozen its activity, resumed its activity, using the real estate and agricultural assets returned to it after the elimination of the sequestration at a time when the value of these assets had escalated, especially in the wake of the October 1973 war when the value increased 7-fold to 10-fold their value at the time of sequestration. This tendency entered the Egyptian business market with the logic of settling the historical vendetta against the economic system which had undermined this tendency's interests for more than 10 years.

As for the third tendency, which had been able to "arrange its affairs" with the beneficiaries of the Nasirist era, it also managed to establish a broad

segment of interests with al-Sadat administration's men and launched what the U.S. WALL STREET JOURNAL described in January 1982 as "the biggest movement for plundering the Egyptian economy."

This group has been able to establish what is known scientifically as the Egyptian underground economy.

There continued to exist in Egypt some men who agreed with this or that minister of finance during al-Sadat administration in order to adopt economic decrees capable of raising the demand for foreign currency in which those men traded in return for a certain share of the profit for the minister himself.

During the same period, the government imported subsidized construction materials which were reexported upon arrival at the ports to a foreign country to be sold there at the market price for the benefit of a prominent businessman.

That period also witnessed the rise of the following groups of symbols of the Egyptian underground economy:

1. A group of businessmen who accumulated their capital from the U.S. AID program. This program gave rise to a group of businessmen who followed the rules of the U.S. market, not the Egyptian market.

2. Contractors relying in their activities in the sphere of building and construction on government credit facilities which were unfair by virtue of the nature of the economic projects themselves.

3. The foreign banks (more than 60 banks) which were founded in Egypt in accordance with the investment laws advanced credit facilities to consumer projects having no connection with the national production plan needed by the country.

4. Some businessmen's exploitation of the credit facilities advanced by the national banks in local currency and their use of those credits to purchase foreign currencies and trade them in the black market, thus causing the price of the U.S. dollar to rise from 72 piasters in January 1978 to 183 piasters in January 1986.

In a society where priority is given to foreign currency in the sale of real estate or in the purchase of foreign goods requiring foreign currency, the demand for foreign currency has grown extremely strong and the purchasing power of the Egyptian pound has declined.

5. Seven successive cabinets under the late President Anwar al-Sadat's administration financed the budget with deficits, relying on aid, loans, and grants. Egypt's indebtedness thus rose to more than $24 billion, requiring annual installments to service the debt interest.

Underground Economy Game

A secret economy is what Dr (Vito Tanzi), the director of the IMF's Financial Policies Department, calls an underground economy.

The underground economy is defined as the economic corruption group. The scientific interpretation of this is: corruption of the administrative agencies, corruption of conscience, corruption of transactions and the unfitness of goods purchased and sold. This type of corruption incorporates two levels of activities. The first level includes a number of activities rejected by every society, such as smuggling, drug trafficking, crime, blackmail, robbery, gambling, and counterfeiting.

The second level includes a group of activities emanating from a lack of loyalty to and affiliation with society, such as tax and customs evasion, the exploitation of loopholes in the laws and the circumvention of laws and regulations.

Dr Midhat Hasanayn, a professor at the American University of Cairo, said in an extremely important study on this issue, published by AL-AHRAM AL-IQTISADI on 16 December 1985:

"A third level of underground economic activity can be added, namely legitimate activity practiced illegally, such as land and real estate speculation and the hoarding of essential goods and foodstuffs with the purpose of creating a shortage of supply in order to influence prices and reap vast profits."

According to international statistics, the underground economy represents 7-10 percent of the national incomes of France, the Soviet Union, Britain, West Germany, and Norway. This percentage rises to 20 percent in the United States, Canada, and Italy whereas it does not exceed 5 percent in Japan.

Dr Midhat Hasanayn also said in his study: "In our estimate, the Egyptian underground economy, embodied in the contraband trade, in commissions, in land speculation, in customs and tax evasion, in circumvention of the laws, in the outlets of the Port Said free zone, in the currency trade, and in the black market for subsidized essential goods, amounts to one-half of the national economy."

If Dr Hasanayn's figure is correct, then this means that one-half of Egypt's national income is controlled by forces that do not represent the state or the private sector which operates openly and legally.

This also means three fearful facts:

First, those who earn this income are subject to no tax system.

Second, they are stronger than the open public sector and, consequently, constitute a pressure group capable of steering the economic market and the national economy to serve their narrow selfish interests that are unrelated to any scientific and planned concept of economic development.

Here we come to the important question: How did the owners of the underground economy recently play serious and open roles against the interest of the Egyptian economy? This is an interesting story.

Commission Rate

At the Car Club, one of the most prominent private clubs, located on Qasr al-Nil Street in the Egyptian capital, a heated debate took place among a select group of politicians, economists, and businessmen around the dinner table of a Lebanese businessman who has lived in Cairo for years.

The parties to the debate were comprised of an economic official, a former minister, three Egyptian businessmen, and the host, i.e., the Lebanese businessman.

The subject of the debate was the percentage of the commission any middleman may collect in any commercial transaction in accordance with the traditions of the international business market.

The question was: Is 35 percent of the total value of a transaction a high or a reasonable commission percentage?

The investor required to pay the percentage said: The legal commission for any business middleman starts with 1 percent and reaches 10 percent as a maximum. Three factors determine the commission rate:

1. The volume of the transaction.

2. The nature of the effort made by the middleman.

3. The middleman's negotiating capability

The investor then asserted: "I have never in my life heard of a middleman's commission rate amounting to 35 percent of the total value of a transaction."

The "middleman's" viewpoint was that if it had not been for him, there would have been no transaction and that if it had not been for his status and reputation in society and for his connections, the investor would not have been able to get the deal. He said that he was not excessive in his demand.

This kind of dialogue is, of course, a refined model of the many tug-of-war acts that occur between numerous groups of Egyptian businessmen.

A former minister of economy told AL-SHARQ AL-AWSAT: "The party that shoulders the burden of the excess in middleman commissions and in prices is the ultimate consumer of the basic goods in Egypt."

The former minister added: "Those who play the commissions game are not, of course, concerned if the commission rises by 5 or 10 percent as long as the commission will be added to the bill paid by the poor man in the street."

All this is happening in a national economy facing numerous challenges whose main features can be summed up in the following:

1. The presence of an imbalance between exports and imports. Confirmed figures show that Egypt imported last year goods valued at $11.5 billion whereas it exported in the same period the equivalent of $4 billion.

2. There has been a drop in the world oil price, thus causing Egypt to lose nearly $100 million last year. Moreover, Suez Canal revenues have declined by nearly $200 million.

3. The operation against the "Achille Lauro," the Italian cruise ship, and the hijacking of the Egyptian airliner to Valetta airfield affected tourism activity in the second half of last year. It is expected that this decline will continue until this coming spring.

4. The remittances to Egypt from Egyptians working in the Arab countries have dropped because of the drop in the number of Egyptian workers in these countries.

5. The successive cabinets since 1981 have given priority of construction and financing to the country's vital services and utilities. The new Egyptian electricity plants have cost more than 3 billion Egyptian pounds, the sewerage network more than 4 billion pounds, and the telephone network 2 billion pounds.

The diversion of these resources to the services sector, instead of the agricultural or industrial investment sector, will, of course, affect the development plan.

The leaders of the ruling party in Egypt respond to this by saying: "The daily problems putting pressure on the Egyptian citizen cannot be ignored. At the same time, the required economic development process should not be ignored. This is why the current cabinet's economic policy establishes a balance between repair of the services and utilities on the one hand and development and investment on the other."

6. Then there is the major problem facing the Egyptian economy, namely the problem of the cost of subsidizing foodstuffs.

One of the hardest things for any state is to import more than one-third of its essential foodstuffs.

Egypt's wheat production meets only 22 percent of the consumption needs and the country's rice production is barely enough. As for sugar, Egypt produces one-half of its market needs and imports the other half.

What makes the situation more difficult is that food prices in the world markets have been rising without any calculated rules or controls that can be anticipated in advance. This affects the importing countries, like Egypt.

Playing Openly

Under the canopy of an economy with these features and of the endeavor to pass through the stifling bottleneck Egypt has been facing since the October 1970 war, the Egyptian businessmen are playing a dangerous game, paying no heed to the serious situation and not realizing the dimensions of their actions.

Instead of embarking on the process of "saving the Egyptian national economy," the businessmen have been engaging in acts that have undermined the country's economy:

1. In a major market such as the Egyptian market where the volume of the transactions amounted last year to more than 19 billion Egyptian pounds (12 billions belonging to the state and 7 billions to the private sector), it is stunning to know that the sum of taxes collected amounts to 140 million pounds! The available information demonstrates that the size of tax evasion amounted to 1.5 billion Egyptian pounds because most of the Egyptian private sector's transactions are in the categories of the underground economy which cannot be taxed.

2. The major part of the businessmen's capital goes for the purchase of foreign currency from the black market, thus reducing the purchasing power of the Egyptian pound last year by 37 percent, according to the experts' estimates.

Rida Hilal said in a report published by AL-AHRAM AL-IQTISADI that Egypt imported last year 3 billion pounds' worth of drugs and white poisons (port delivery price). He estimates that the profit margin for imported drugs is more than 1,500 percent.

All this has created in Egypt a segment that has accumulated vast sums of money, but without a productive effort, without production assets, without projects creating work opportunities, without investments and revenues on which the state can collect fees and taxes, and without products meeting the market need, reducing imports and encouraging exports.

This deep economic abyss is the source of extreme political and social danger. It is the biggest challenge facing not only the Egyptian government but also what may be called the "capitalism of 1986."

A prominent businessman said: "The crisis of the Egyptian capitalism of 1986 lies in the fact that it is a capitalism without social commitment."

This businessman added: Look at the Carnegies and Rockefellers in the United States, the stronghold of world capitalism, and you will find that they spent vast sums building schools, public libraries, or hospitals and encouraging scientific research. This is the social responsibility that capitalists should shoulder in order that a split may not develop in society and that the gap may not widen.

Open or Closed Door

It is no secret that there is a tug-of-war between the so-called businessmen's association and the government.

It is also no secret that the "businessmen's club," embodied in the association, tries to attract many government members to its ranks.

It is, moreover, no secret that the presidential institution in Cairo is having a fierce argument with the businessmen.

What do the businessmen want and what does President Mubarak's administration want?

The businessmen want four specific demands:

1. Abolition of all the laws obstructing investment

2. Opening up of the business market and import activity in an absolute manner.

3. No state monopolization of certain projects or of certain shares of domestic trade.

4. Termination of the Socialist Prosecutor Agency's activities against businessmen and a closing of the corruption dossiers.

On the other hand, the presidential institution demands that the businessmen do the following:

1. Stop freezing the business market's activity.

2. Operate in the sphere of production projects.

3. Pay the set taxes and customs fees.

4. Stop black market speculation in foreign currency.

5. Stop smuggling money out of the country.

Who will respond to the other's demands? Who will succumb to the other side's pressures? Is a compromise possible?

This is the debate whose outcome the Egyptian street is awaiting with extraordinary interest.

12929/8494
CSO: 4504/187

LIBYA

USSR, LIBYA SIGN PROTOCOL ON POLITICAL CONSULTATIONS

Moscow SOBRANIYE POSTANOVLENIY PRAVITELSTVA SOYUZA SOVETSKIKH SOTSIALISTICHESKIKH RESPUBLIK (OTDEL VTOROY) in Russian No 1, 1986 pp 3-4

[Text] On political consultations between the Union of Soviet Socialist Republics and the Socialist People's Libyan Arab Jamahiriyah

The Union of Soviet Socialist Republics and the Socialist People's Libyan Arab Jamahiriyah prompted by the strong aspiration to strengthen the existing relations of friendship, based on the principles of mutual respect, equality and mutual benefit, in accordance with the aims and principles of the United Nations, continuing the struggle against all forms of colonialism, neocolonialism, Zionism, racism, and for freedom of peoples, for social progress and for consolidating the people's sovereignty, wishing to develop contacts and consultations between corresponding foreign policy organs of both states with the goal of consolidating peace in the whole world and making their own contribution to strengthening the unity of socialist and all progressive peaceloving forces, agree to the following:

1. The sides will carry out consultations on international problems, representing mutual interest, as well as on questions of bilateral relations by direct contacts, including the following:

--problems of a political, economic, scientific-technical and cultural character, involving relations between the two countries;

--problems of averting nuclear war, stopping the arms race and barring militarization of space;

--the situation in the Middle East, in Africa, in the region of the Mediterranean and in Europe.

2. Carrying out consultations will be ensured respectively through the Ministry of Foreign Affairs of the Union of Soviet Socialist Republics and through the People's Bureau for Foreign Liaison of the Socialist People's Libyan Arab Jamahiriyah. The sides are to agree on the subject, level, and times for these consultations through diplomatic channels.

3. Consultations will be carried out between the sides in order to contribute to the efforts of the countries of the socialist community, progressive forces of Arab states, nonaligned states, and other peaceloving forces, directed toward supporting international peace and security and to opposing the intrigues of imperialism, Zionism, and racism, and for ensuring international cooperation.

4. Consultations will also be carried out between delegations of both countries in international organizations and international forums with the aim of coordinating positions on problems to be discussed in accordance with the principles of their foreign policies.

5. Consultations will be carried out in turn in Moscow and Tripoli not less than once a year and at any time when the need arises.

6. The current Protocol goes into effect on the day it is signed.

Completed in Moscow on 14 October 1985, which corresponds to 29 Muharram of the year 1395 after the death of the Prophet, in two copies, each in Russian and Arabic, so that both texts have identical effect.

For the Union of Soviet Socialist Republics
E.A. Shevardnadze

For the Socialist People's Libyan Arab Jamahiriyah
'Ali 'Abd al-Salam al-Turayki

/9599
CSO: 1807/191

LIBYA

AGRICULTURAL BANK LOANS FOR 1985 REVIEWED

Tripoli AL-FAJR AL-JADID in Arabic 5 Feb 86 p 6

[Article by Sulayman Khazzam: "The Agricultural Bank Gives 168 Million Dinars in Loans to the Farmers To Advance the Agricultural Sector in the Jamahiriyah"]

[Text] The agricultural loans granted by the Agricultural Bank from the start of the Great 1 September Revolution until the end of 1985 amounts to 168,988,000 dinars.

The Agricultural Bank offers three principle agricultural loans that help to serve the economic trends and changes that have taken root in the new socialist society.

Agricultural Bank sources mentioned that the bank offers short, medium, and long-term loans. It grants short-term loans to farmers with the goal of providing what agricultural activities require, the supplementing of materials, and necessary requirements to carry out agricultural work for one agricultural season. These items include loans for the agricultural harvests, beekeeping and sheep and chicken raising.

The amount of short-term loans that have been granted to farmers since the revolution until the end of 1985 has reached 80,187,000 dinars. Agricultural Bank sources mentioned that medium-term loans are granted for things that have as their goal the provision of tools and farm machinery to realize an advance in agricultural activity to participate in reclamation and planting of large areas of land and to compensate for the shortage in the work force.

These loans are granted to individual farmers and agricultural congresses. They are paid back after 4 years in the case of individuals, and after 5 years in the case of the agricultural congresses. These loans are used for purchasing trucks for the agricultural congresses, dairy cattle, poultry yards, and for building glass greenhouses.

The size of these loans that the Agricultural Bank has granted since the revolution to the end of last year reached 57,076,000 dinars to buy tractors, plowing tools, industrial rain pipe, apiaries, and special equipment for chicken coops, and the like.

The Agricultural Bank also grants other loans. These are long-term loans that enable the farmers and agronomists to build and improve farms, and to build poultry yards for eggs and meat. These loans are paid back over 15 years from the date they are given to the farmer and agronomist.

The amount of these long-term loans granted since the revolution until the end of 1985 has reached 22,019,000 dinars, to dig and deepen wells, to build reservoirs and irrigation canals, livestock pens; to plant fruit trees, and to reclaim and level land.

The source added that the Agricultural Bank is granting other loans for building chicken coops, totaling 540 coops for both poultry hatcheries and farms, from 1973 until 1982. Each farm has a capacity of between 6,000 and 10,000 birds. The money spent to build these farms has reached 96,600,000 dinars.

In addition, the Agricultural Bank offers loans and credit facilities to the agricultural congresses to enable them to give needed services to their farmer and agronomist members, to provide machinery and necessities for agricultural and livestock production. The amount of these loans granted from 1976 until the end of 1985 reached 26,395,000 dinars.

Agricultural Bank sources added that the bank offered support to agricultural production requirements. This support has reached, since the Great 1 September Revolution until the end of last year, 183,077,000 dinars, to enable farmers to purchase and raise fodder, chemical fertilizers, insecticides, and to lay electric lines, and other services that farming and agriculture require.

These various agricultural loans are granted to the farmers and agronomists to provide the maximum amount of food and total reliance on national agricultural production, to achieve the saying, "There is no freedom for a people who eats food from beyond its borders."

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LIBYA

REPORT ON TREE PLANTING CAMPAIGN

Tripoli AL-FAJR AL-JADID in Arabic 5 Feb 86 p 6

[Article: "23 Million Tree Saplings Planted in All Regions of the Jamahiriyah"]

[Text] Sources at the General People's Committee for Agricultural Cultivation and Land Reclamation mentioned that the number of trees planted in the campaigns organized by the popular groups in the different regions of the Jamahiriyah reached 23 million saplings as of yesterday.

These sources also confirmed that the planting campaigns are still continuing in planting large numbers of forest and fruit trees.

More than 27,342 forest tree saplings were planted in the Wadi al-Hayrah and al-Majanin agricultural project. With that, the number of saplings planted in al-'Aziziyah municipality reached 1,338,886 saplings.

The total of those saplings planted in the projects of al-Fatih municipality reached about 995,000, including 269,000 trees to block the wind in the south of al-Abyar.

In the al-Fatih program in al-Marj, 55,779 fruit saplings--peaches, pears and grapes--were planted. Some 789,000 fruit tree saplings were planted in the agricultural sphere program, in addition to the planting of 469,000 acacia trees, stone pines, and other trees that were planted as part of the agricultural sphere program.

That which has been planted in the al-Awsat agricultural program in the municipality of al-Fatih during this festival included the planting of about 32,740 hectares: about 27,840 hectares of wheat; and 4,900 hectares of barley.

The cultivation of the South al-Abyar project was completed during this season with the planting of 800 kantars of barley in an area of 1,600 hectares.

As part of the tree-planting effort in the municipality of Misratah, the members of the basic international and Arab conferences in the municipality of Misratah planted thousands of fruit and forest tree saplings.

In the city of Sabratah, the female students and male employees and producers of the health institute planted 25,000 saplings in the Saniyat al-Ghar district south of Sabratah. With that, the total of saplings planted in this region reached 130,000.

Volunteers of the local defense and mobilization and the workers in al-Khums municipality planted 25,980 trees yesterday, Sunday.

In addition, 17,700 fruit trees were distributed to farmers in al-Khums. Sources at the People's Committee for Cultivation and Land Reclamation in al-Khums municipality mentioned that the number of trees that have been planted until now in the municipality have reached 1,296,300 forest and fruit trees, and that yesterday in al-'Aziziyah municipality 83,000 trees were planted in the al-'Aziziyah, Wadi al-Majanin, and al-Hayrah projects.

With this, the total number of saplings planted in al-'Aziziyah municipality has so far reached 1,250,529. The tree planting campaigns are still underway in all parts of the Jamahiriyah.

In the municipality of Gharyan the number of saplings of fruit trees planted reached 196,061, while the number of forest trees planted reached 472,742: 51,196 olive trees; 48,025 apple trees; 17,250 pear trees; 1,250 psoralea bituminosa; 1,195 peach trees; 2,155 fig trees; 28,460 almond trees; 46,540 grape vines; 379,567 pine trees; 22,000 acadia trees; 42,175 Qatf [artiplex hortensis] trees, and 29,000 cinchona trees. The planting campaigns are still going on until the decreed aim of this season is realized.

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MOROCCO

NATION'S GRAIN PRODUCTION, SHORTFALLS ANALYZED

Rabat AL-'ALAM in Arabic 12 Feb 86 p 3

[Article by Ahmed Chiki: "Grain in Morocco: Production and Subsidies"]

[Text] Great optimism prevails in agricultural circles this year concerning the results to be realized by the current agricultural season, 1985-6, because of the voluminous rain that fell at the appropriate time and also because of the peasants' receptivity to planting activities to a large degree.

While it is difficult for us to predict what the results of this season will be, since we are in the initial stages of it, and this is the area of specialization of experts in the agricultural field, it would be good for us to go back to last season's results and compare it with previous ones in order to inform the reader about the most important part of the agricultural sector, which is grain production, the way in which this grain is marketed domestically, the foreign trade in this grain and the grain aid Morocco receives from certain government or international organizations. The production of the main grains (durum wheat, soft wheat, barley and corn) in the 1984-85 season came to a total of 46.1 million qintars, thereby occupying third place among the best crops since 1974.

One can break this production down as follows. There were 12,072,000 qintars of durum wheat, meaning an increase in the harvest of this commodity from the previous season, when it did not exceed 11,713,000 qintars, but it was somewhat less than the durum wheat Morocco produced in the 1982-83 season, when it came to 12,385,000 qintars, and the 1981-82 season, when it came to 14,061,000 qintars. However, this 1984-85 durum wheat production was farmed on an area which according to preliminary estimates came to 1,135,800 hectares, that is, gave a yield of about 10.6 qintars per hectare. With respect to soft wheat, its production in the past agricultural season came to 10,154,000 qintars, which is consequently considered to be absolutely the best production of soft wheat Morocco has experienced since it began planting it, since in the best of cases that had not previously exceeded 8,182,000 qintars, the crop which was recorded in the season before last, followed by the 1982-83 season, which came to 7,318,000 qintars, then the yield of the 1981-82 season, which came to 7,772,000 qintars. In terms of

area allotted to this type of grain, it should be observed that it was farmed over the greatest area in the past agricultural season, a total of 783,000 hectares, for a high yield which came to about 13 qintars per hectare.

As regards barley, this type of major grain in turn experienced substantial production in the 1984-85 season in comparison with the previous ones, since it rose to about 21,079,000 over an area which is considered to rank third, in the course of 11 years, in terms of area allocated to this type, or 2,298,400 hectares, as compared with the previous season's yield, which came to 14,046,000 qintars on the total area allocated to it, which was 2,126,000 hectares, meaning that the per-hectare barley yield came to about 9.2 qintars per hectare in the 1984-85 season, while in the season preceding that it was less, amounting to no more than 6.9 qintars per hectare. However, by far the best per-hectare yield of this commodity Morocco has experienced was that recorded in the 1975-6 season, when it came to 13.5 qintars per hectare. The highest per-hectare yield of barley recorded in recent years, which were characterized by drought, remains the yield of the 1981-82 agricultural season, when it came to 11.4 qintars per hectare.

As regards corn, production of that registered an improvement in comparison with that experienced in recent years, especially the years characterized by a shortage of rain, that is, beginning in the late seventies. That was because corn production rose in the 1984-85 season to 2,811,000 qintars, produced by a total area which throughout the regions of the country as a whole came to 396,200 hectares, as compared with a crop of 2.64 million qintars in the 1983-84 season, over a total area of 383,600 hectares. That is, the per-hectare yield at that time was 6.9 qintars per hectare, while in the subsequent season it rose to 7.1 qintars per hectare. The 1975-76 crop remains the best corn crop Morocco has experienced yet, since it came to a total of 4,920,500 qintars, while the crop yielded by the 1980-81 season was in general the smallest and skimpiest one since it did not amount to more than 897,000 qintars, with a yield that did not exceed 2.5 qintars per hectare.

When we move over to grain marketing procedures in the country, we will find that the total volumes marketed in the 1984-85 agricultural season, the period ranging from June 1984 to 15 March 1985, came to 4,369,611 qintars, of which 4,227,445 were of the main grains, that is, accounted for 96.75 percent of the total quantities marketed. That means a drop of 7.17 percent in comparison with the same period of the 1983-84 agricultural season, when the volume of grains which were marketed came to 4,707,231 qintars, of which the main grains alone accounted for 4,534,584 qintars, thus representing 96.25 percent of the total grains marketed, recording a drop of 35 percent in the latter relative to the 1982-83 season, when the quantities marketed came to 7,747,242 qintars. The drop which occurred in marketing between the 1983-84 and 1984-85 seasons included durum wheat, with a ratio of 15.46 percent, and soft wheat, with a ratio of 8.47 percent. Soft wheat heads the list in terms of grains marketed in the latest agricultural season, accounting for 2.46 percent of total grains marketed and thus representing an increase relative to the 1983-84 season, where this strain did not exceed 68 percent of the total marketed, then followed by corn, whose marketing share accounted for 12.18 percent while in the 1983-84 season it accounted for only 10.91

percent and as a consequence occupied third place in terms of grain marketed. Then there was durum wheat, with 8.97 percent, thereby recording a retrenchment relative to the 1983-84 season, when it occupied third place in terms of marketing, with 11 percent. Finally there was barley, with 6.38 percent; that is the same rank it occupied in the 1983-84 season, with a similar share, which was 6.33 percent.

The rate of participation by merchants, cooperative companies and mills in these marketing activities varied. In the 1984-85 season, it came to 48.32 percent in the case of merchants and 45.05 percent in the case of cooperative companies, while the mills participated at a rate of 6.63 percent, which included durum wheat marketing in particular. Thus the rates by which cooperative companies and merchants participated remained comparable to those at which they had participated in the 1983-84 season, when they came to 45.09 and 45.03 percent, respectively. The mills' activity recorded a perceptible rise in the 1984-85 season through their direct purchase of durum wheat.

With respect to the centers in which these quantities of grain were marketed, both the Fez and Meknes centers experienced concentrated activity, since 922,688 and 745,210 qintars of soft wheat were marketed in these centers respectively; thus, they together accounted for 47 percent of the total soft wheat sold throughout the nation in the 1983-84 season.

The Fez center alone exclusively enjoyed a characteristic which took the form of its being the only center which marketed, and still markets, large quantities of durum wheat. In the 1983-84 season, 473,937 qintars were marketed in this center, which accounted for 82 percent of the quantities of durum wheat sold in all our country's markets. As regards barley and corn, the Province of Casablanca is considered the main center among those in which large volumes of the two commodities are marketed. The Province of Rabat is also considered a relatively important center as far as corn marketing goes, since the total volumes of this commodity marketed in the 1983-84 season totalled 168,662 qintars. As regards the prices at which the main grains were marketed, these differ from year to year. If we compare grain prices for the 1983-84 season with those for the 1984-85 season, we will observe that the latter rose perceptibly in all centers and that the rates of the increase varied according to the center and the type of grain; the free market prices of local durum wheat, in which transactions are subject to the law of supply and demand, rose in the Fez center, for example, from 173 dirhams per qintar in the 1983-84 season to 210 dirhams per qintar in the 1984-85 agricultural season. Meanwhile, the price of the same commodity in the Meknes center rose from 190 dirhams per qintar in the 1983-84 season to 232 dirhams per qintar in the 1984-85 season, that is, an increase of 22.1 percent. The price of durum wheat in the Marrakesh center also moved from 188 dirhams per qintar in the 1983-84 season to 252 dirhams per qintar in the 1984-85 season. As regards barley, it is to be noted that that moved, for example in the Fez center, from 128 dirhams per qintar in the 1983-84 agricultural season to 141 dirhams per qintar in the 1984-85 season, that is, an increase of 10.15 percent, while in the Marrakesh center it increased from 136 dirhams per qintar in the 1983-84 season to 155 dirhams per qintar in the 1984-85 season, that is, an increase of 13.97 percent. The same was

the case with regard to the prices of corn. In the Oujda center, for example, these rose from 139 dirhams to 160 dirhams per qintar, that is, an increase of 15.11 percent. In the Rabat center they rose from 150 dirhams per qintar in the 1983-84 agricultural season to 178 dirhams per qintar in the 1984-85 season, that is, by an 18.66 percent increase.

In general, the prices of durum wheat, barley and corn in various centers, in the case of the 1983-84 season, ranged between 173 dirhams per qintar of durum wheat as a minimum price, the price recorded in the Fez center, and 206 dirhams per qintar as a maximum price, which was recorded in the Agadir center. Meanwhile, the prices of the same commodity ranged in the 1984-85 season between 210 dirhams per qintar as a minimum price, recorded in the Fez center also, and 262 dirhams per qintar as a maximum price, recorded in the Oujda center. The prices of barley, with respect to the 1983-84 agricultural season, ranged between 125 dirhams per qintar as a minimum and 152 dirhams per qintar as a maximum, while in the 1984-85 season this commodity recorded 138 dirhams per qintar as a minimum price and 170 dirhams per qintar as a maximum. As regards corn, that exerienced the same trend. Its price in the 1983-84 season was between 150 dirhans per qintar and 172 dirhams per qintar, whereas it experienced a difference in the 1984-85 season that ranged from 176 dirhams as a minimum price to 192 dirhams as a maximum. We should not fail to point out here that the government, besides the free market which has been created, sets the official market prices each year, and these are prices which in turn experience an increase from year to year. To explain that, we should point out that the price of soft wheat and durum wheat was officially set at 150 dirhams per qintar in the 1983-84 season and respectively registered an increase of 7.14 percent in comparison with the prices of the same grain in the 1982-83 season. As regards the official prices of barley and corn, these were set at 110 and 130 dirhams per qintar, respectively, in the 1983-84 season, and consequently experienced an increase estimated at 10 and 30 percent in comparison with the prices of these grain types in the 1982-83 season. Thus, it is noted that the official prices, while experiencing an increase from year to year, as we pointed out, remain lower than the prices prevailing within the free market, which has been witnessing a spectacular rise as a result of speculation, which leads to damage to consumers, who represent the low- and average-income classes of the people. We might mention here that the government-guaranteed prices of grain are applied to unpackaged goods which are received at the warehouses of the cooperatives or the receiving merchants located in the centers of consumption. When needed, it is possible to apply increases or reductions to this price, according to quality and the degree of mediocrity of the commodity. The amounts added to the basic price are considered an addition to them, as compensation and encouragement for the quality and difference in the commodity. The sums deducted from this price are in effect a reduction in it whose goal is to downplay spoiled commodities. However, no change has occurred in the scheduling of these amounts, whether by addition or subtraction, since 1980, that is, when the price of soft wheat was set at 125 dirhams per qintar, prompting the owners of industrial mills repeatedly to demand a review in their scheduling, since the quality of the wheat, whether produced locally or imported, does not justify the standards agreed upon, which are still in effect. The price of imported barley for livestock growers in Morocco which is allotted to these growers upon relinquishment or

release to these growers and has been put at the disposal of cooperatives for the account of the livestock growing department has been set at 112.05 dirhams per qintar, and that has included random compensation at 10.50 dirhams per qintar.

As regards foreign trade in grain, in view of the increasing requirements of domestic demand in Morocco, because of what the mediocre nature of local grain production accounts for on the one hand, and the rise in the rate of demographic explosion which, according to the 1982 statistics, has come to 3.4 percent in the nation as a whole and the changes accompanying this population growth which have occurred in consumer habits within Morocco's population, our country has continued to import substantial amounts of all types of grain which differ in terms of quantity and quality from year to year, as they differ in terms of source.

Morocco's import receipts for the 1981-82 season remain by far the greatest to have been brought in from abroad during the past 5 years, since they came to 27,282,600 qintars, including soft and durum wheat, barley and corn, in addition to rice, of which 582,833 qintars were soft wheat and 4,000 qintars barley in the form of aid to which the United States of America, Canada, West Germany, Spain, the European Common Market and lastly the United Nations organization contributed, while 26,659,767 qantars consisted of purchases from the United States of America, France, Britain and Tunisia, consequently costing the government budget 2,454,700,000 dirhams. However, the current season, that is, the 1982-83 agricultural season, registered a drop in the volumes of imported grains, since the amount imported dropped to 14,231,080 qintars, that is, a reduction of 47.84 percent, of which 59,000 qintars were soft wheat and 41,527 qintars were rice in the form of food aid.

The remainder, that is, 14,130,553 qintars, consisted of purchases which cost Morocco 1,306,410,000 dirhams. The explanation for this drop in the amounts imported by Morocco may be that the production of the previous agricultural season, that is, 1981-82 (47.6 million qintars), in addition to the amounts imported, managed in a relative sense to respond to consumers' needs. In the 1983-84 season, the figure on grain imports once again rose, to 21,706,252 qintars, that is, an increase of 52.53 percent, of which 264,629 qintars were soft wheat, 50,000 qintars consisted of aid, and the rest constituted purchases which cost the budget 2,480,030,000 dirhams. As regards the latest, 1984-85 season, Morocco's imports came to 20,360,713, that is, a drop of 6.19 percent, in comparison with the imports of the season preceding that; of this, 17,530 were durum wheat and 99,885 barley in the form of food aid. The remaining 20,169,163 constituted the country's purchases for this season and consequently cost 2,669,760,000 dirhams. However, with respect to the latest season, it is observed that Morocco's imports no longer consist of just the four main types of grain but also for the first time have included forage wheat, of which Morocco brought in 107,600 qintars at a cost of 13.17 million dirhams, as well as white corn, of which 141,980 qintars were bought for 16,113,000 dirhams. Our country's imports for the 1984-85 agricultural season were financed in the context of loans granted by the United States of America and France. The United States of America, in accordance with the two agreements concluded on 2 and 19

February 1984, which are related to providing Morocco with agricultural food product financing, has supplied us with 1.71 million qintars of soft wheat and 428,115 qintars of barley, financed in the context of what are known as PL 480 loans. In addition, 14.05 million qintars of American soft wheat were purchased, of which 8.32 million qintars were in the context of incorporated loans and 6.17 million qintars were in the context of the guaranteed GSM-102 loans. In the case of France, our country has brought in 203 million qintars, of which 501,127 were of barley financed in the context of what are called COFACE loans. In general, the loans granted by the United States of America and France were allocated last season to the purchase of 18.68 million qintars, 95 percent of which were of soft wheat. As regards food aid, in the agricultural season, as we have pointed out, 99,885 qintars of barley reached our country from the economic group, and it was given 17,530 qintars of soft wheat in the context of the international food program PAM, whose source was the United States of America as well, 74,135 qintars of durum wheat, whose source was Italy, 50,000 qintars of soft wheat from Spain and 50,000 qintars of rice from Japan.

Regarding the quantities processed by industrial mills, we observe that between June 1984 and April 1985 these came to a total of 23,460,612 qintars, 98.53 percent of which was soft wheat and 1.47 percent durum wheat. That means an increase of 6.46 percent in the volume milled relative to the 1983-84 agricultural season, since the volumes planted in the course of it came to 22,035,979 qintars. This increase in particular included soft wheat, which increased by 7.4 percent, while the voluems of durum wheat declined by approximately 33 percent in comparison with the quantities of this commodity milled in the 1983-84 season.

Meanwhile, the share of the volumes of soft wheat imported during the 1982-83 season that were milled came to about 67.9 percent relative to the total volumes milled.

Thus, it is apparent that the most important characteristic of the production of the main grains in our country is its slow development, which ranges from increases at times to declines at other times owing to numerous factors, natural or human, such as the phenomenon of drought, the spread of noxious and poisonous weeds, which constitute an obstacle to growth, and the poor exploitation of land allocated to grain cultivation, from which a scarcity in the bounties of the land results. We also find that the areas allocated to grain cultivation, which annually exceed 4.5 million hectares, thereby accounting for the main portion of the land allocated to farming in general, which comes to 7.7 million hectares, are considered of mediocre yield in the case of all types of grain, since a single hectare, in the best of cases, does not exceed 13.5 qintars, a most sparse yield in comparison with the yield a single hectare of wheat provides, for example, in some other countries, such as France, where a single hectare yields more than 60 qintars of wheat, and America, where it exceeds 25 qintars. This mediocre level of yield points out that grain production in our country for the most part still takes place in accordance with backward work methods and techniques which are not in keeping with the requirements of the age. This makes further effort mandatory on the part of people concerned with the agricultural sector, with the goal of raising the per-hectare yield so that Morocco

will be able to meet its domestic requirements without resorting to covering them through the food aid some countries and international bodies offer it or by purchasing large volumes and paying their invoices in hard currency which absorb a large part of the country's budget.

11887
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TUNISIA

GOVERNMENT INTERVENTION IN UNION DECISIONS CONDEMNED

Tunis AL-RA'Y in Arabic 7 Feb 86 p 8

[Article: "Abdesselem Jrad Describes the Course of Change in the Secretariat General"]

[Text] The recent resolutions of the administrative board of the Tunisian General Federation of Labor which met last 12 January, reinstating Mr Habib Achour as secretary general of the labor organization, provoked great controversy among union men in the street concerning the extent to which this measure was legitimate and lawful.

In this context, we were contacted by Mr Abdesselem Jrad, member of the executive committee of the federation in charge of bylaws, with an explanatory statement regarding the subject. This is the most important part included in it:

Following the change made in the executive committee of the Tunisian General Federation of Labor, with the approval of our brother Habib Achour as secretary general, a number of rumors and interpretations have circulated on the legality of this operation. In order to eliminate all ambiguity, the bylaws of the general federation has considered that these explanations should be offered so that the union members and public opinion would be totally informed of the validity and lawfulness of the operation and so that a limit would be placed on all auctioneering. It also wishes to describe the situation regarding the recent developments the federation has experienced, which basically arise from the boycott the government resolved upon following the 20 January 1986 meeting and the events that followed it.

The Legal Process of Change

With respect to the change, it is worth pointing out that the enlarged executive board which has the power to make the change met on Saturday 11 January 1986, reviewed the point and delegated the elected executive board to carry out this operation, after the failure of the efforts made by the government and the federation, by means of which the federation had hoped that the 4 December 1985 agreement, which the government had committed itself to, would be applied. The general federation's national administrative board met

on 12 January 1986 to study in depth the difficult state to which the negotiations had deteriorated because of the government's rigidity, which proved that the situation was not related to the person of the secretary general, whom it had refused to deal with, according to its statement, but that the basic goal was to strike out at the organization and its symbols, fragment its legitimate agencies and deliver the coup de grace to sacred union rights.

Among the things it endorsed, the administrative board approved allegiance to our brother Habib Achour as secretary general of the federation with the assertion that the administrative board, by its nature, contained all the secretaries general of the leagues and general unions or people acting in their place, the secretaries general of the regional federations, in their capacities as members of the expanded executive committee, and the members of the elected executive board. The secretaries general of regional federations who attended (who were the overwhelming majority) unanimously approved the resolution on the change, asserting that no one among the members of the expanded executive committee opposed this change, since no conflict between the position of the administrative board and that of the elected executive board existed.

The executive committee met and approved the assignment it had been given by the expanded executive board on making the change, which, subsequent to that, assumed clear legal formulation. The meeting of the executive board was in fact held, and in the course of it our brother Sadek Allouche declared that he was relinquishing the secretariat general, in keeping with the decree of the administrative board and the delegation of the expanded executive board. He maintained his position as official in charge of foreign relations.

It is worth pointing out that the executive board meeting on Monday 20 January decided to summon the expanded executive board to a session on Wednesday to inform it of the process by which the change was carried out and study the latest new developments in depth. Thus it is apparent that the process of change was carried out in legal form in accordance with the federation's laws and that it was not marred by any ambiguity. There is no doubt, either, that it met with approval on the part of all the higher agencies of the federation and therefore is something that has been decided on, and its case has ended and been settled by the union members, who do not approve of attempts to cast doubts and fragment ranks by fabricating erroneous, biased interpretations which have the goal of diverting them from continuing to perform their sacred union duty.

As regards the prime minister's invitation to the executive board to attend the meeting on 20 January, the subject of that, as far as the general federation goes, is internal. With the participation of other parties, if they are union bodies belonging to the Tunisian General Federation of Labor, this invitation must be reviewed by the command of the federation (that is, the executive committee which organizes, decides and keeps a list of the names of the participants), and the government must not play the federation's role and attempt to invest individuals who are alien to the labor organization with a legal character. That will have the effect of obstructing the task of

conciliation and unification and further deepening rifts, since the process, if it takes place, is to be considered a violation and infringement of the laws of the Tunisian General Federation of Labor. If these people are union members and have the right to express their views, they must respect the federation's laws, which have been approved by the highest authority in the organization, the national conference.

The Exceptional Conference Is a Grave Infringement

Since the meeting is purely an internal matter, it is possible to proceed with it or adopt any decision only in accordance with union rules, through all the agencies running the federation, up to the conference. In addition, the executive board cannot infringe on the federation's constitution and bylaws.

As to the point raised at this meeting concerning the formation of a committee to prepare conferences for basic unions and sectoral and regional agencies in preparation for the exceptional national conference, that contradicts the federation's laws and is considered a grave infringement on the workers' organization's bylaws and constitution, especially as regards the holding of an exceptional general federation conference, since an exceptional conference can be held only at the request of two thirds of the members of an exceptional national conference, with attention to the rule of proportional representation. It is not possible either to hold an exceptional conference by withdrawing confidence from the elected executive board or dissolving it. Apart from that, if a quorum is not present in the executive board, after a vacancy of more than half has occurred, it is then permissible for a national council to meet to prepare for the inevitable exceptional national conference. Thus it is clear that the appeal for unification remains one of the unionists' inherent functions and must pass through legal and lawful frameworks. The executive board's failure to attend the 20 January 1986 meeting is not to be considered a rift between itself and the government. Rather, it occurred as a sanctification of the laws and independence of the federation, especially since the composition of such a meeting would not facilitate the unification process. We also do not mean by independence enmity toward others. Rather, it is strict adherence to the stipulation of the rules and it is in keeping with democratic action, which protects all organizations from shock and chaos. It is also necessary to stress that the executive board has expressed its readiness to meet the prime minister anytime to discuss existing problems, but its request was not met with acceptance. This readiness underlines the concern to rise above the crisis and good intentions on creating an honorable solution to the pending dispute with the government. Nothing is more indicative of that than the consideration which has been expressed on a number of occasions on the need to avoid clashes and choose a language of dialogue, and its adherence to the law and failure to react, in order to avoid complicating the crisis.

However, the rift the executive board worked earnestly to avoid unfortunately occurred by the government's doing at the 20 January 1986 meeting. The executive board bears no responsibility for this; rather, it is the government alone that bears the responsibility.

We should not miss the opportunity, either, to condemn and draw attention to the process of fragmentation of the role of the regional federations and the takeover of the federation's property, especially that which occurred after 20 January 1986. That is to be considered a grave precedent in trampling underfoot the country's constitution, which stipulates that public and individual freedoms are to be respected and individuals and property are to be protected. We might point out that the Tunisian General Federation of Labor is a people's mass organization of long standing which is recognized by law domestically and abroad and derives the legitimacy of its existence from workers and union members and no one else. No other party can dominate it and subject it to its wishes.

The phenomenon of seizure, raids and appropriation of property will without a doubt introduce chaos and fear for public and individual freedoms into people's spirits. For that reason, we urge the government to review such practices, abstain from them and work to respect the laws which alone will guarantee civilized coexistence among all parties. We also call on it to negotiate with the workers' legitimate representatives, who were elected in free democratic elections, from the basic unions through all personnel up to the elected executive board, the legitimacy of whose elections is challenged by no union member, since it is the sole representative of the workers and their official spokesman.

Whatever the situation might be, the executive board, which has borne the hardship of running the organization's affairs and has preserved its independence of decisionmaking and democracy of action within it, will always continue to adhere to the principles the working class has imposed on it out of concern for action within the framework of legitimacy and legality, thereby showing attention to the interests of the workers and the nation.

[Signed] Assistant Secretary General
Office of Bylaws
Abesselem Jrad

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CSO: 4504/215

TUNISIA

BRIEFS

DOMESTIC SHIPBUILDING--Tunisian technicians at the Soconima complex in Manzel Bourguiba have constructed the first 100 percent Tunisian cruiser. This cruiser will be inaugurated during the visit to Tunisia which the president of Gabon, El Hadj Omar Bongo, will start tomorrow. He will travel to Soconima in the company of Mr Mohamed Mzali. It appears that strong cooperation is to develop in the mechanical and technical areas between Tunisia and Gabon, in addition of course to other vital areas on which agreement was reached during Mr Mohamed Mzali's visit to Gabon. [Text] [Tunis AL-SABAH in Arabic 23 Feb 86 p 2]

KUWAITI JUDICIARY DELEGATION--We have learned from an informed source in the Ministry of Justice that a Kuwaiti judiciary delegation will arrive in Tunisia Sunday on an official visit to Tunisia which will take a week, in the course of which it will become informed about the statute on judiciary activity and legislative conditions, in furtherance of the ties of brotherhood and cooperation between the two fraternal countries. Heading the Kuwaiti judiciary delegation is Mr Muhammad Yusuf al-Rifa'i, chairman of the supreme court of appeals. [Text] [Tunis AL-SABAH in Arabic 23 Feb 86 p 2]

OPPOSITION PARTY COMMITTEE--The opposition parties and movement held a press conference yesterday evening in the headquarters of the Communist party, attended by a large number of their members and a group of representatives of the Tunisian and foreign media. Participating in the press conference in the name of the movements and parties were Messrs Esmail Boulahya, for the Party of Democratic Socialists, Rached Ghannouchi of the Islamic Tendency, Mohamed Nafe of the Communist Party, Nadjib Chaabi of the Progressive Socialist Grouping and Djaloul Azouna of the Popular Unity Party. They stressed that the problems the country is going through, those connected with the unions and the economic and social problems, require extensive consultation on the part of all parties and all Tunisians, no matter what their political sentiments might be, in service of the national cause and in the interests of the country in general. They observed that the common denominators which unify the opposition elements on the united arena of combat are embodied in democratic reforms and the demand for a general legislative amnesty, solidarity with social issues and solidarity with the causes of national liberation such as support for the Palestine cause. A statement was issued by the opposition movements referring to all these broad steps. [Text] [Tunis AL-SABAH in Arabic 23 Feb 86 p 2]

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IRAQ

DEPUTY PREMIER CALLS FOR ARAB UNITY, SOLIDARITY

London AL-TADAMUN in Arabic 1-7 Mar 86 pp 21-23

[Interview with First Deputy Premier Taha Yasin Ramadan by Akram Tahir Hassan: "Today's World Belongs to the Big Blocs and Little Principalities Are Disappearing"]

[Text] In an important conversation he gave on issues of industrial and economic integration in the Arab nation, Mr Taha Yasin Ramadan, member of the Revolutionary Command Council and first depyty prime minister of Iraq, considered that the logic of major blocs which the world consists of today will not allow the survival of little principalities and that the Arabs' interests are in their unification and in coordination and solidarity among themselves.

At the beginning of the conversation, after asking about the journalistic style in which this article would be produced, Mr Taha Yasin Ramadan said, "Will AL-TADAMUN meet economic officials among the brother Arabs?"

[AL-TADAMUN] Yes.

[Ramadan] Perhaps my statement will contradict that of some other Arab official as far as economic aspects go.

[AL-TADAMUN] AL-TADAMUN publishes people's opinions.

The conversation was as follows:

AL-TADAMUN: The Arabs' concerns are numerous, and one of them is Arab unity, for which the presence of material and economic bases of support is needed. Industry and manufacture may be among the most important of these bases and supports. How do you view the question of Arab industrial integration?

Taha Yasin Ramadan: As a politician with field experience in political activity and initiatives in its economic and industrial aspects, I consider that Arab unification is a political decision and economic integration represents the spirit which will make political decisionmaking mature and integrated. At the same time, economic integration and unification constitute the basic

guarantee. Many political decisions called for unification and sooner or later ended in failure, because they were not founded on the basis of economic integration. Although we as Ba'thists view unity in a romantic spirit, we believe that unity also consists of interests. Arabs fight and sacrifice themselves for its sake not just when they find it to be a mere slogan on behalf of which they are fighting, without feeling that it will benefit them. Arab unification is everyone's interest. It is wealth and power for poor people, strength, security and hope for the rich, and not as some rich people believe where they lose part of their money, so that it will go to the poor and the poor countries will be the only ones to benefit from unity. We do not believe that the rich countries will remain as they are, strong and guaranteeing their future, independence and freedom, if they dispense with the poor ones.

In spite of all the conspiracies against unificationist thinking and the everyday struggle for unity, we find that the Arabs' unity remains the first and last way for the Arabs to regain their glory and power, especially since this is the era of major blocs from the economic standpoint, the political standpoint and the military standpoint, and in no way an era of principalities and small blocs. I assert my conviction that the coming stage will be that of the disappearance of a number of little principalities which are not fighting and cannot fully meet the requirements to survive and stay abreast of life, development and progress in this era. The role of the exploitation of major blocs will become prominent. What will the state of the Arab nation become while it is in this state of fragmentation, on top of the absence of a minimum of coordination and integration? All the requirements of unification and strength are available to the Arab nation. If it becomes united, its power will multiply economically and militarily. In the union between Egypt and Syria in 1958, had there been a serious degree of economic integration in the two sections of the republic, the secessionist conspiracy would not have been able to be prosecuted with such ease, especially had the union acquired a broad base of people in the two countries to defend itself, defend itself directly because it had realized their domestic and national interests. Therefore I consider economic unity, the beginning of which is economic coordination and integration, to be a necessity which has priority over all other activities.

If we talk about the industrial consideration, which constitutes the backbone of economic activity -- indeed, without industrial coordination and integration it is not possible for economic coordination and integration to be achieved and without industry the movement of labor and creation of expertise is not realized, nor is trade realized, nor are unification in plans and the proper investment of resources realized -- industry is the basis of the economy and consequently it, for its part, has priority within the priority that goes to economic activity. Therefore, since the beginning of the revolution, we have been viewing the issue of industrial coordination and integration in a serious manner, even ahead of the effort which has been made regarding the issue of coordination and integration in other economic activities. Proceeding from that premise, at an early time, we sought a meeting among industrialists in the Arab nation at an official level, that is, how can we develop the executive system and have it assume a better dimension and ability, and some flexibility, free from the restrictions and

red tape of the Arab League and its organizations? There was the idea of the Arab Organization for Industrial Development, which was called the Center for Arab Industrial Development. Iraq was basically the one which took the initiative to establish it and acted with enthusiasm in the course of 2 successive years in the councils of Arab ministers of industry until agreement was reached over the idea, by a majority, not by consensus, at the Cairo meeting in 1974 I believe. The objective was, how can we advance this activity in a better way? We also gave special importance to joint industrial projects and in spite of all the circumstances this country has gone through, Iraq did not try to stay aloof from participating and supporting any joint industrial company, even if it did not have any direct role in the territory of Iraq and the economy of Iraq, because we believe that the establishment of Arab industrial companies is a serious way of realizing industrial integration and coordination. However, is what has been realized so far at the desired level, or would it have been possible for more to have been realized than was realized? Most frankly, I can say that what has been realized is far below the level, and is below what it would have been possible to realize, and what could have been realized, had there been a desire and belief in the importance of this activity for Arab unification. I would like to refer to something very serious, which is that the magnitude of industrial coordination and joint activity between Arab countries as a whole and non-Arab countries is greater in terms of investment and joint industrial activity [than] among the Arab countries themselves. This criterion is enough for us to evaluate the volume of the activity of economic and industrial integration among Arab countries.

AL-TADAMUN: What is Iraq's role in this? What is your view regarding the actual state of coordination?

Taha Yasin Ramadan: Frankly, we must not be theoretical, because Iraq cannot be a substitute for the remaining Arab countries. First of all, that will be misunderstood. Secondly, that is not possible, because the matter is related to the decisions of all the Arab countries and these countries' policy and programs. I consider that academic coordination in industrial plans and programs in the Arab countries does not exist in the proper form and what is desired, and everything that is said about it, even through the Arab Organization for Industrial Development, is inaccurate, aimed at appearances, biased and preoccupied with matters which are not important. We need faith in this work and great confidence that it is important and necessary. In every joint Arab action, give and take is necessary and flexibility is necessary. By a given action or company, I will be relinquishing something within the notion of theoretical concessions, not ones of principle. Regarding another project, someone else will make a concession so that this project will be established, and another country will make the concession regarding another company. However, when we sit down, with each one of us wanting to be the one making the profit, in every sense of profitability, and in all the details, it is a natural thing that common action will face serious, real difficulties from this standpoint. I say that we as Arabs do not need more than the flexibility we observe with foreign companies and countries in establishing joint economic activities. If we exercise this same flexibility among Arab countries, we will realize a great amount of cooperation.

Certainly I can find that this subject deserves greater attention on the part of the Arab countries, preparation and presentation of serious ideas by the people concerned in the industrial sector in every country, and a more active role on the part of the Arab Organization for Industrial Development and Arab economic bodies, companies and joint economic councils, so that greater and better steps may be taken than the ones we are involved with now. The past years have taught us that no great work can be achieved except through greater effort with wide-ranging ability and competence. We are faced with strategic projects that have economic feasibility and rely on great investment, rely on great scope for consumption and rely on volume and quality of personnel. This can be achieved only when the efforts of a number of Arab countries, and not each country by itself, are joined together. For that reason, I believe that we have now reached a stage where this matter has become serious. The process of coordination first and basically in the industrial area among Arab countries and specifically in the context of strategic projects is now something that is more than pressing, if the Arabs want to proceed earnestly in the direction of unification, keep abreast of industrial development in the world at a good level, and indeed also contribute their minds and initiatives to international development in this regard.

AL-TADAMUN: At the beginning of the seventies, the Iraqi leadership issued a decree which was aimed at encouraging contributions by Arab investors, especially Gulf investors, in the Iraqi economic development process. Did the contribution of Arab investors measure up to the spirit of the decree?

Taha Yasin Ramadan: The goal in this law was not to acquire capital, as might have been understood had such a decree been issued in another country; rather, we found a possibility that such an approach might bring about an additional means for Arab coordination and integration. Rather than having businessmen who are Arab brothers, or a company in the private sector in a Gulf country, go to The Netherlands, for example, to engage in agriculture to produce fruit or some other produce, it would be better for them to come to their own country, Iraq, in which case their investment would bring them a profit and they would bring about integration on behalf of the Arab nation. When we want to establish such a project, we cannot do so in the context of the priorities of our regional view, because no priorities can be realized within the national view except through coordination and integration, although we do not neglect the national view in all our projects we establish, especially the strategic ones. Concerning your question on whether what has been realized has been in harmony with the spirit of the resolution, what has been realized is very limited. After the passage of this long period of time, because many economic and technical developments and numerous elements have occurred, we have studied this issue again, the law and all the successive decrees which have been issued in this regard, with the goal of issuing a unified law which is in harmony with the current circumstances and in the same national direction as far as this consideration goes. We hope that something will be achieved. I can stress once again that this desire on our part proceeds just from our feeling of the importance of Arab industrial coordination and integration, which we consider have priority within the context of economic coordination and integration.

AL-TADAMUN: Among the concerns of industrial and economic integration, the issue and tragedy of Arab labor stand out -- for instance, the surplus Arab

labor that exists in the Maghreb, the conditions of Arab labor in the European countries, and even the Arab labor present in some Arab countries. Do you believe that a specific solution is necessary, such as coordination among Arab countries and optimum proper employment in a manner which is in coordination with the establishment of projects?

Taha Yasin Ramadan: I have said that industrial coordination and integration as a common Arab activity must have priority within the context of economic coordination and integration that are expressive of activities in their totality, including the issue of labor flowing from one country to another and one area to another as it flows from one governorate to another within a single country. Therefore it is industrial activity that outlines the geography of movement. If we consider that the Arab nation is a single nation, it is not possible to establish an industrial project until a totality of elements is provided, such as primary materials, scope for consumption, means of communications and transport, exports and fuel. There is, of course, a difference in the nature of each project, but there are central elements, and consequently labor is one of these elements, but not like a basic element in this regard, if we consider that the locations for establishing this sort of industrial project, specifically the strategic projects, in a great, unlimited volume, must be chosen which will bring about better feasibility for them. I find that the flow of Arab labor must be unlimited, in the sense that while Arab countries set out legislation, laws and restrictions concerning the entry of foreign labor, which I believe is their right, and they must increase these restrictions, they must nonetheless give total flexibility and openness to the movement of Arab labor. In other words, I am not in favor of the conditions and rules which are put in the way of Arab labor in many Arab countries as they are put in the way of foreign labor, or cooperation on an equal basis in the flow of labor, because unfortunately when many Arab countries say foreign labor, they mean Arab and non-Arab labor. That is very serious, in the nationalist view, and therefore we now find Arab labor working in France, in Britain, in Italy and in West Germany, and we also find foreign labor from these and other countries in the Arab nation in a volume which is not much less than that of the Arab labor abroad. This does not mean that we do not need foreign labor at a specific technical level, and I do not say that it is wrong for us to have some Arab labor abroad for the sake of acquiring expertise, but not to the extent that exists now, which has not been planned for. When Arab labor goes abroad, it is not part of a common Arab program, as if we were sending them in given areas of specialization, that is, were sending 1,000 or 2,000 engineers and technicians to acquire 2 or 5 years' experience in Germany, in Italy or elsewhere; it would be proper for us to do that, or for us to bring in some thousands of laborers at a specific technical level into the Arab nation for the same purpose. Arab labor flows abroad because it finds the doors on the Arab stage closed to it and consequently it goes and works even with options which are not in harmony with its own abilities and resources. This entails great risk, in addition to its psychological risk for the Arab citizen when he becomes an alien for a few years, without a goal, outside the nation, and offers service other than to the nation; this situation has a great influence in the expatriate Arab's ties with the nation and the homeland. This, for its part, is one of the important, basic issues, but I say the more we can move the wheel of Arab industrial coordination and

integration forward, the more we will find ourselves faced with a positive situation regarding Arab labor and its movement.

AL-TADAMUN: Recently the phenomenon of competition among Arab producers in marketing phosphatic and petrochemical fertilizers in international markets has become conspicuous. Don't you believe in the need for coordination among producing countries or the establishment of a diminutive organization or federation specializing in this matter?

Taha Yasin Ramadan: I have an opinion regarding the large number of Arab organizations. At the beginning we were in favor of the establishment of industrial federations, when there were none. However, what happened later, in terms of their proliferation, diminished their importance and even the level of the people working in them. Unfortunately, the basic goal has been to create organizational structures so that some people can work in them. I am being frank in what I say. From the nationalist point of view, they have no existence, and what they say is just formality, framework. Therefore, unfortunately, I am not optimistic about Arab federations; in spite of that they are very necessary and should be considered a step, but they are not the end we seek. Rather, we want there to be specific federations at a good level, and not every industry should have a federation, or every minor point should have a federation and headquarters, where consequently attention toward them and their meetings and conferences becomes secondary and the level of the candidates working in them starts gradually to decline. However, the situation we find in phosphates we find in many industries. I said a little while ago that if the situation in past years was satisfactory to Arab officials and ministers of industry, since they were preoccupied with industries which did not have a nationwide dimension, consequently within the context of scope for consumption and an economic range, they managed to cover most of them within the framework of their own geography. However, when they try to move over to real industrial activity, keep abreast of development and really start with strategic industrial projects, they have no approach except joint Arab action in this realm or others. We will find ourselves faced with a conflict and a parting of the ways in the establishment of these projects and investments. We will be able to say that they have been invested in vain, that is, that they could have been invested in other areas. Now the phenomenon has appeared in specific projects where countries are not acquainted with one another, and each country believes that by establishing this project in this capacity it will benefit from the Arab stage. Within a while, we will then be faced with a dozen projects, each one of them covering half the Arab stage and creating competition, and a collapse will take place, because we know that some Arab industrial projects' potential in the first stage for competing outside the Arab nation is limited, I would not say out of the question or not possible. I would not say that we must not work. However, first of all, the Arab stage must be the arena of consumption, in a coordinated form where it will be possible to find scope outside the Arab nation. However, when there is conflict first of all on the Arab stage, I believe that when they move to the stage beyond the Arab nation, they will find themselves faced with competition among themselves first of all, and among other countries, which they will be unable to face, and we will find ourselves faced with wasted investments at a time when we need them, provided that they be distributed in a just manner, in accordance with

priorities and in a shrewd form. The situation that now exists in the marketing of phosphates, I am confident that if the situation remains as it is, we will find in other projects. If we want to establish an organization to coordinate marketing, we must ask first of all, if the projects have now become greater in number than consumer capacity, what is the benefit of coordination? We want coordination to begin before establishment of the plant is entered into, and not for us to begin coordinating with marketing after it is established. That means something that is secondary.

AL-TADAMUN: At the latest industrial investment conference, an appeal was presented to establish specific federations in the framework of the Arab Gulf area. How do you view the situation?

Taha Yasin Ramadan: From an economic view, not a political one, I do not support this idea. However, if it is tangential to Arab federations, it will become an organizational issue. If they are to resemble federations existing on their own in the context of regions like the Gulf and so forth, I believe that they will not respond to the Arab goal as far as the matter of industrial integration goes, and they will be serious, unless they are centrally guided and these agencies are instruments for serving the main agency. Then it will become a different matter.

AL-TADAMUN: A question related to Iraqi industry, where some time ago you directed technical bodies to prepare a study on the establishment of projects to produce means of production. Does entering into this area mean a great, important quantum leap in industry, and could we learn about what you have come up with?

Taha Yasin Ramadan: I believe that the industrial supports that have been established in the course of these years -- perhaps we are not satisfied with them, but in terms of volume, scope and quality, they do represent not a bad development. If we want to enter into the battle of real industry, in particular the creation of industrial personnel here, because we are still buying machines and bringing in foreign personnel to install them, and it is they who design, and, in the first stage, operate them, and after that hand them over to us, this process must come to an end, or at least we must stop here and start where other people began. I am not saying that we can suddenly become an industrial country in the sense of the 10 industrial countries, but we can enter on the road, or start on this road. Therefore, I find that we have made strides in the centers, the training centers and scientific faculties, and serious activity as far as changing the structure of technical labor in Iraq is concerned. This has all been during the past 10 years. We now have come to have something big here, more than any Arab country, while Iraq had been very backward in this matter, the pyramidal structure of technical labor had been inverted, and it had been very difficult and complicated and affected the course of work. Now, this situation, I would not say we have resolved it, but it has covered ground to a large extent and needs organization, development and guidance from time to time. Therefore, engaging in a new manner on starting with the manufacture of the means of production is the first step along the road for us to start the road of industry in Iraq. We began with the formation of a committee, and ideas are now being studied because this is not an easy matter. Rather, it is complex

and difficult and perhaps we need the expertise of others, Arabs and non-Arabs, different channels, technologies, and various individual theories in the first stages. However, we have considered it appropriate that we should begin with a simple paper which we as concerned Iraqis will discuss and will agree over specific indices which are considered similar to trends, then the agencies involved will start to operate within these orientations. I am confident of the possibility of achieving progress in this area.

AL-TADAMUN: Is the idea that a start should take place on existing projects and they should be developed, or will that occur through the establishment of other projects?

Taha Yasin Ramadan: It makes no difference. The important thing is the principle, and that this beginning not take place from a vacuum. We have a nucleus for some things, and therefore it will not be from a vacuum. Therefore, talk about this issue will not be complicated among the people who are concerned with determining indices. It is the work programs which will guide us, because this matter is connected to our priorities in the industrial program and is not connected to new projects, existing ones or the development of what exists, but to the priorities of the industrial program.

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ISRAEL

NEGEV BEDOUINS PROTEST EMPTY PROMISES

Tel Aviv MA'ARIV in Hebrew 3 Feb 86 p 13

[Article by Uri Binder: "The Negev Bedouins": 'We Are Fed Up with Promises'"]

[Text] When Minister Weizmann started dealing with Israeli Arabs, the Bedouins in the Negev hoped that they would find recourse for the advancement of their interests. Now, the minister's advisor, Dr Yosef Ginat, is being used as a replacement for the advisory agency on Arab affairs in the Negev which was closed based on the minister's instructions. Burning problems, however, are not being resolved and unrest is growing.

The Weizmann group is up against a network of accusations, frequently accompanied by transgressions of the law. In one instance, a secret police document reached the minister's office with derogatory intelligence information against a particular respected Bedouin. Another official report from the general defense services reached another respected Bedouin, in the framework of the war being waged by certain parties in the Negev against anyone associated with Minister Weizmann.

The Labor Party secretary for the Bedouin sector in the Negev, Sulayman al-Baddur has come out openly against Dr Ginat. "Since Ginat began working with the Bedouins in the Negev, nothing has changed. In the past, we had an office of Arab affairs in Be'er Sheva. Now, even that is gone, and for every little thing it is necessary to travel to Jerusalem. Weizmann has lost his creditibility with us."

The young leader, 28 years old, claims that instead of action, Jewish wars are being waged in the Negev and committees are being formed in the name of Dr Ginat.

A particularly sensitive issue in the Bedouin sector is that of evacuating the Tel Malhata area for the Navatim airfield. Thousands of Bedouins have been evacuated from the area and re-settled in the new villages of Kuseyfa and 'Aro'er. The evacuation was handled by the effective operations administration headed until 2 and 1/2 years ago by David Shoshani from Kibbutz Lahav. After leaving, his deputy Hazi Yehezke'eli was appointed to replace him.

It became apparent that on more than one occasion the evacuees were promised promises with no backing, all in order to speed up the evacuation and maintain the time schedule set by the airforce. Yehezke'eli facilitated the work being performed by the operations administration. Bedouin dignitaries complemented him on his diligent work and defined him as a man who stands behind all his promises.

Recently, Yehezke'eli resigned his post and unrest resulted immediately among the Bedouins. Bedouin representatives met with Minister Weizmann and told him that they would not allow David Shoshani to return to the operations administration because he did not keep the promises he made them in his day. Majid Abu-Rabi', son of the late Knesset member, told Weizmann that a man who does not keep his promises cannot come back to deal with sensitive issues.

"A Return to the 50s"

Mansur Abu-'Ajaj, one of the youth active in Kuseyfa, reinforces Majid's statements and adds: "Shoshani is taking us back to the 1950's. We are not willing to allow all negotiations to be handled only by the Shaykhs, as Shoshani was wont to do."

Dr Yosef Ginat, who supports Shoshani's return to duty, emphasizes that Shoshani is a man with extensive experience, capable of assuaging the unrest among the Bedouins. According to Ginat, only now has an understanding been reached between him and the general manager of the Ministry of Agriculture, Me'ir Ben-Me'ir, and as a result, there will be improvement in the treatment of the Bedouins.

Ben-Me'ir, head of the operations administration, refused to discuss the ties between himself and Dr Ginat. Recently, several Bedouin dignitaries met with Ben-Me'ir, Ginat, and Shoshani on Kibbutz Lahav. The goal was to present Shoshani's return to the operations administration and to introduce Shoshani as the man agreed upon by all parties.

Ben-Me'ir, who was supposed to act as head of the general manager's committee for Bedouin affairs in the Negev and the north, introduced himself only as the general manager of the Ministry of Agriculture, not as an appointee of the operations administration. The Bedouins listened to the message and understood that they were once again trapped in a dead end as far as everything related to the handling of their problems. They had hoped to hear good news about the development of the new towns of Hora and Lagiya, after the general manager of the prime minister's office--Avraham Tamir--had promised them that the freeze was over and the towns would soon be built.

Instead, the discussions were limited to the drought and the sowing season. "For this they organized a secret meeting?" muttered the disappointed Bedouins at the close of the meeting.

Shaykh Khalil Abu-Ja'd recently remarked that the Bedouins are fed up with promises and that the time has come to appoint people who speak candidly, like Hazi Yehezke'eli, and do not make promises they do not keep, like Shoshani.

I Do Not Understand What the Noise Is About

Shoshani denies the claims against him: "Everything I promised was in writing and I stood by it. I do not understand what all the noise is about, because I have no intention of becoming head of the operations administration in the Negev again, but rather will be on Ben-Me'ir's new team," emphasizes Shoshani, who in the past had gained extraordinary respect for his handling of the evacuation of Bedouins without the use of force.

Approximately 7,000 Bedouins were evacuated from Tel-Malhata after the peace agreement. Thirteen hundred heads of households submitted requests for reparations and the operations administration has finished handling 900 of these requests. Recently, 240 additional requests were submitted, but these have not yet been handled.

Me'ir Ben-Me'ir recently publicized an official notice according to which additional requests will not be accepted after 31 August 1986.

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NEGEV DEVELOPMENT TOWNS SUFFER HARD TIMES

Tel Aviv DAVAR in Hebrew 2 Feb 86 p 6

[Article by Yitzhaq Levinson: "In Development Towns in the Negev, the Beginning of 'Economic Recovery' Has Been Noted as Marking the Beginning of Great Deterioration"]

[Text] Settlements in the Negev, which are mostly development towns, are deteriorating rapidly. Unemployment is rising, the level of services provided by local authorities is declining, and many residents are leaving the area and sometimes the country. This is the bleak picture that was drawn for an Israel news service correspondent in the Negev, Yitzhaq Levinson, by the heads of settlements in this area of the country.

"Our problem is neglect of the Negev and an absence of comprehensive national planning for the region," said the head of the Mitzpe-Ramon local council, Shmu'el Kohen. Heads of settlements in the Negev claim that the beginning of the implementation of the government's economic recovery plan also marked the road to deterioration of the condition of settlements in the area. According to their claims, the issue is one of continued neglect of the Negev by the Israeli government. A significant portion of municipal services are provided today by the division of neighborhood renewal in the Jewish Agency, not by the local authorities, because many development towns are included in the plan for neighborhood renewal. The heads of the settlements pointed out that it is not clear which body will supply those services after the end of the period allotted for implementation of the renewal project in the neighborhoods and towns in question.

'Arad

In 'Arad, over the last 6 months, since the beginning of the economic recovery plan, an average of 195 unemployed persons have been registered each month, as compared with a previous semi-annual average of 158. This is an increase of 23.4 percent in the unemployment rate. In addition, the average rate of requests for employment in the same period grew by 10.7 percent. The head of the 'Arad council, Avraham (Beyga) Shohat, fears a new phenomenon whereby parents are leaving the settlement in the footsteps of their children who have left.

Yeruham

The person in charge of the southern region at the Ministry of the Interior, Shalom Denino, suggested establishing an outside committee for Yeruham, given the harsh criticism of the administrative and financial management of the local council. The council's debt comes to 5.2 million new shekels, of which 4.1 million new shekels were a loan taken to subsidize the interim activities of the council.

Council head Barukh Elkayam blames the government offices for not budgeting sufficient funds for the council and for delaying the transfer of funds to the council.

The wave of unemployment in the settlement caused the residents to announce their intention to declare a "State of Yeruham," separate from the State of Israel. The average number of people requesting employment in the settlement during the half year preceding the economic plan was 198, of which 132 registered on the unemployment roles. In the month of December 1985, 219 requests for employment were registered.

Unemployment and the budgetary distress of the settlement created a situation in Yeruham whereby in 1984 there was negative population growth of 1.62 percent. Of a total of 6,100 residents, 465 left the settlement.

Mitzpe-Ramon

The head of the Mitzpe-Ramon council, Shmu'el Kohen, said that 523 residents left town in 1984 and only 293 new settlers arrived. The result--negative population growth of 5.15 percent. As if this were not enough, in the last half year of the economic plan, the number of requests for employment increased by 29 percent relative to the first 6 months of 1985 and the number of unemployed persons almost doubled--60 in December, versus a 6-month average of 31 for the first 6 months of the year.

The emigration statistics for 1985 have yet to be calculated, but the forecast is not encouraging.

Ofakim

In Ofakim, the population grew by 200 people in 1983 alone. The following year, 749 people left. Ofakim council head Yehi'el Bentov sees the reason for this emigration in the lack of sources for employment. According to Bentov, even existing places of employment are not at a level appropriate for the capabilities of IDF soldiers finishing their tours of duty and graduates of various educational institutions trying to return home. According to an initial reading, 1985 was a record year for negative population growth in Ofakim.

Netivot

The council treasurer of Netivot, Barukh Mazoz, notes that he succeeded in reducing the council's debt but as a result, people were laid off and services of all kinds were cut back. No development activities are taking place in the town, other than those being performed under the auspices of the neighborhood renewal project.

The number of requests for employment in Netivot during the month of December 1985 stood at 244, of which 162 were by unemployed persons. In the same month, 203 employment notices were posted by the employment service, but unemployment is still rampant.

Dimona

The mayor of Dimona, Eli Halali, is running back and forth between the economic ministers while busily trying to maintain preferred conditions for entrepreneurs who are prepared to build enterprises in his town. Last December, the local employment office registered 564 unemployed persons, out of 903 requests for employment. Only 191 job openings were posted, and even these were mostly for unskilled workers.

Elat

Elat is a unique phenomenon among development towns. In contrast with other towns, Elat is a tourist town and the high occupancy at local hotels created a permanent demand for hundreds of workers in this sector. Notwithstanding, however, many families have left town as a result of layoffs at the docks, in the construction sector, by the electric company, and at the Timna mines. Mayor Rafi Hochman says: "There is no one left to leave. Anyone who can has already done so." According to Hochman, an unemployed person in Elat cannot expect employment in the area, and is forced to uproot and move north with his family. Now, Hochman hangs his hopes on the declaration of a free trade zone in Elat.

9811/12795
CSO: 4423/85

ISRAEL

DETAILS OF REFITTED, UPGRADED T-54/55 TANKS FOR EXPORT

Frankfurt/Main SOLDAT UND TECHNIK in German Jan 86 pp 26-37

[Article by Wolfgang Schneider: "Use of the T54/55 With Upgraded Combat Effectiveness in the Israeli Army"]

[Text] The already-great number of types of Israeli armored weapons was enriched after each Middle East conflict through the battle tanks--especially of Egyptian and Syrian stocks--captured in combat operations.

Thus, in the Six-Day War, about 800 T-54's and some T-55's were captured. In 1973 (Yom Kippur), additional T-54/55's and more than 200 T-62's were captured, as were approximately another 200 T-62's in Lebanon in 1982.

As early as 1973, Israel employed about 400 reactivated T-54's against their former users. At the present time, there are still about 250 T-54/55's and 150 T-62's in use by the Israeli armed forces.

The modification of the battle tanks foreseen for reuse began in 1967 and took place in several steps described below. The many years of experience in the use of these battle tanks of Soviet origin and the necessity of producing spare parts led to Israel's itself becoming an exporter of T-54//55 components and also to its offering a number of programs to upgrade combat effectiveness for foreign users of these tank types.

First Refitting Measures 1967-1970 (T1-67)

The captured tanks initially retained their Soviet 100-mm gun armament (D-10T25--caliber length 56) and essentially received new vehicle radio equipment and a modified machine gun armament (M 2/M 3 Browning 7.62 mm or 12.7 mm) of U.S. manufacture. The internal type designation is T1-67 (tank of the T-series/Israeli 1967 status).

Additional external receptacles were mounted on the turret bustle as well as the back side of the hull and the track guards.

The exhaust system was optimized and a fire extinguishing system was installed. The changes were made at Israeli army repair depots. A large

number of tanks no longer worth repairing were cannibalized for spare parts provisioning and then scrapped.

1970-1973: Upgrading the Combat Effectiveness of the T1-67

An important measure in upgrading the combat effectiveness was the exchange of the 100-mm main gun for the British L 7 A 1 105-mm gun in the m 68 configuration. This conversion was facilitated by the circumstance that the gun shield opening did not require any additional modification. The vertical and lateral aiming systems were also retained.

The optical system was equipped with metric sighting values but otherwise was unchanged. A third machine gun (7.62 mm) was mounted on the loader side, just as in the other Israeli battle tanks. The track and suspension remained almost unchanged; the suspension performance was improved with a slightly increased ground clearance (caused by a change in the torsion bar prestress value).

Additional Refitting Measures After 1973

During the battles in the 1973 October war, a large part of the T1-67's was still being used with the Soviet gun armament, which in subsequent years was gradually exchanged for the 105--mm gun, a measure that was not extended to the T-62's, for even larger quantities of captured ammunition were available for these tanks. Some of the tanks were destroyed or were not repaired. Although additional captured tanks were converted and put into operation, the total number of T1-67's declined to about half the originally available number. For the refitting measures after the Yom-Kippur War, mainly T-55's were used instead of the T-54, for the more up-to-date engine turned out to be less prone to trouble and also the combat load with gun ammunition was greater.

A 60-mm mortar suitable for close-range defense was mounted on the left side of the turret. The mortar cartridge is placed in a holding base by the commander and the elevation is adjusted in several notches along an arc.

Additional stowage cases were mounted on the left and right sides of the turret, as were several external holders for drinking-water canisters. A third coaxial external machine gun (12.7 mm) for firing at ground targets and aimed and operated from inside was mounted on the gun shield.

Adaptation tests were performed on several T1-67's for the active armor plating (Blazer) used in the other Israeli battle tanks (M 48/60 and Centurion). So far there has been no general equipping of all T1-67's with it.

1983: Development of the T-55 S

Far-reaching considerations in regard to the upgrading of combat effectiveness led to the development of the "S"-tank (T-55 S), as it is designated in Israel.

Although the track and suspension of the T-54/55 was quite satisfactory, ways were sought to replace the obsolete drive system. After various engines were tested, a selection was made of the air-cooled eight-cylinder Teledyne-Continental diesel engine (8V-71T) also used in the artillery self-propelled mounts M 107/110 and M 109. To improve performance substantially, a number of modifications were made and a more efficient turbosupercharger system was used.

In this connection, it was necessary to displace the rear of the hull to the outside and to redesign it to make room for the cooling system.

The semiautomatic/hydrodynamic Allison converter transmission serves as the transmission; the final drive was likewise reconstructed. In contrast to the original transmission of the T-54/55, it is now one-piece and continuously linked with the power pack.

The more efficient engine achieves 448 kilowatts and increases by almost 50 percent the mobility of the battle tank (despite a total weight 1.5 tons higher), in part because of the substantially more favorable torque behavior. The terminal speed increases to just over 60 kilometers per hour. The entire engine can be replaced in about 30 minutes, a time less than half of that required for the T-54/55.

The increase in the size of the engine compartment permits the installation of the fuel tank within the hull, dispensing with the fire-prone external tanks. A total of four tanks will be used, in part in combination as BK ammunition receptacles, as before. The operating range is 450 kilometers. Additional stowage cases were mounted in place of the external tanks on the track guards.

The dust and oil bath air filter system of the T-54/55, extremely deficient in desert operations, was exchanged for a new dry-type filter system. It is easily accessible on the rear left in an armored box of the track guard. The filter elements must be cleaned with compressed air after approximately every 50 hours of operation (daily with filter oil change for the T-54/55).

Instead of the two original control levers, the driver now steers without fatigue by means of a small steering wheel. The manual gearbox is exchanged for an easy-to-operate preselector gearbox. The driver's control equipment and indicators were also optimized.

By redesigning mounts and moving some of the equipment outside, it was possible to improve the crew compartment of the T-54/55, which was seen as extremely cramped. Among other things, the vehicle batteries and part of the small arms ammunition was stowed outside and radio sets are located in the stowage box on the turret bustle. In addition, a large part of the personal equipment is stowed outside. An external infantry telephone is located on the rear of the hull. Besides increasing mobility, the principal aim for the S-version was to raise the first-round hit probability of the weapon system.

Thus the inefficient Soviet weapon stabilization system (elevation hydraulically stabilized, azimuth electrically) was exchanged for the Cadillac-Gage electrohydraulic system.

The gunner's sight was combined with a Neodym-YAG laser rangefinder with first-echo utilization (operating range up to 10,000 meters). The infrared periscope was exchanged for a new sighting mechanism with integrated image intensifier/night sighting channel with magnification by a factor of seven. The converted S-tanks can be identified by the enlarged gun sight direct-vision block in front of the commander's cupola.

The weapon is aimed at the target by means of the cross hairs and the laser is activated. The measured target range (accurate to with 10 meters) and additional ballistic data (system-error values, cant, lead, powder temperature, and barrel wear) are automatically considered through the MATADOR fire control system (developed by EL-OP and Elbit). A collimator attachment is mounted on the muzzle to check the barrel sag.

In the course of conversion, the new flat cupola also used in the M 48/60 is installed in place of the commander's hatch that opens to the front. A new basketlike holder for personal equipment of the crew is mounted to the left on the turret. An infrared detector and the lateral wind sensor are located on the turret.

As in most of the other Israeli battle tanks, the SAFE fire-suppression system (Halon 1301) is also used in the T-55 S. It has a response time of 5 milliseconds and suppresses (activated through infrared or optically) fires within 80 milliseconds.

So far only some vehicles have been converted to the S-status. Nor are there plans to bring all T1-67's used in the Israeli Army up to this standard. A proposed option is to refit the T-62 as well. The combat capability of the T-55 S (without considering the thermal imager) is seen as comparable to that of the M 60 A 3.

Just as other offerors (ROF, Krauss-Maffei, NORINCO, Wegmann and others), this project is primarily aimed at the export market, for worldwide there are several thousand tanks of this type series whose combat effectiveness needs to be upgraded.

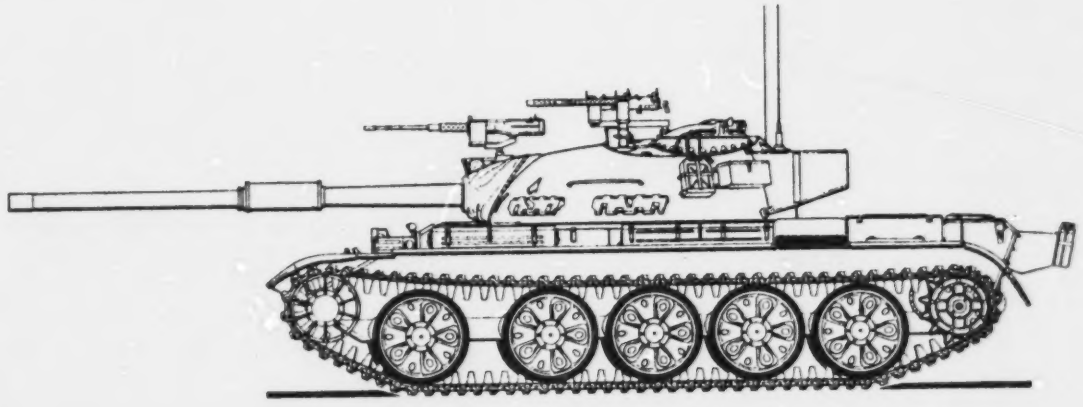

Figure 5. Side View of the T1-67 Battle Tank

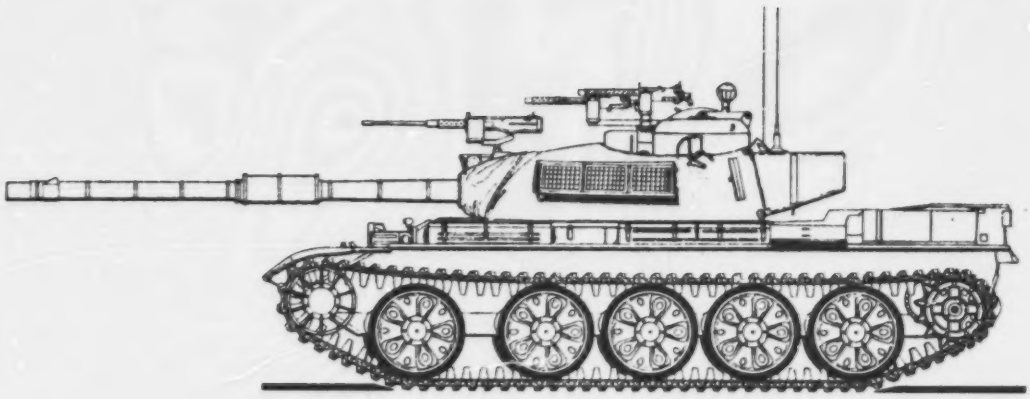

Figure 6. Side View of the T-55 S

9746
CSO: 4620/23

ISRAEL

FINLAND, ISRAEL DISCUSS UNIFIL, PLO, JEWISH EMIGRATION FROM USSR

LD162043 Helsinki International Service in Finnish 1600 GMT 16 Mar 86

[Ossi Kervinen report from Jerusalem]

[Text] Finland has asked Israel to change its attitude towards the UN troops in South Lebanon to being more positive than at present. At the same time Finland rejects Israel's demand for a change in Finland's Middle East policy. The minister of foreign affairs has just finished his official visit to Israel. Today he explained his negotiations and the Finnish Middle East policy to the international press. Here is Ossi Kervinen:

This is Jerusalem. Foreign Minister Paavo Vayrynen's discussions in Israel concentrated on two matters, and at the same time on two matters of disagreement: What attitude should be taken to the peace keeping forces in South Lebanon and to the Palestinian Liberation Organization, the PLO.

Finland has now asked that Israel take a more positive attitude toward the UN troops--in other words UNIFIL--in South Lebanon. This is what Minister Vayrynen said on the matter:

[Begin Vayrynen recording in Finnish] I presented a request in three parts to the Israeli Government representatives. I proposed that they consider a more positive attitude towards UNIFIL, that they contribute to solving UNIFIL's financial problems and that they cooperate with UNIFIL, helping UNIFIL to fulfill its mandate. [end recording]

[Kervinen] Vayrynen took up the matter of UNIFIL for the last time today when he met Prime Minister Shimon Peres. During the talks the impression emerged that at least Peres was prepared to seriously consider the Finnish viewpoints.

On the other hand Minister of Defense Rabin, told the Finnish press that Israel would not under any conditions agree with an arrangement whereby the UN troops would come nearer to the international border than at present.

The Finnish request that Israel help UNIFIL to fulfill its mandate would mean precisely that the troops moving south and the total withdrawal of Israeli troops from South Lebanon. According to Rabin, this is out of the question.

On Israel's proposal the United States decided some time ago to stop contributing almost totally to UNIFIL for the next mandate of 6 months, which starts in April. This means financial problems for among others, Finland, and this is why the request was put forward that Israel should influence the United States to increase the financing of UNIFIL.

When Israel demanded that Finland change its attitude toward the Palestinian Liberation Organization, the PLO, and stop supporting it, Finland replied that it will hold tightly to the basis of its Middle East policy. The PLO is the most important representative of the Palestinians, and the right to Palestinian autonomy must be taken into account in the overall solution in the Middle East. Vayrynen emphasized this both in his lecture to the Hebrew University and in answering the questions of the international press.

Also terrorism was discussed in the press conference. In this connection Vayrynen said that Finland condemns all kinds of terrorism. He also emphasized strongly the other side of the matter. The territorial integrity of states must be honored, if this is not done, this is also terrorism, Vayrynen said. Here he referred clearly to the attack by Israel, among other things, against the PLO headquarters in Tunisia, even though he did not say it directly.

Foreign Minister Vayrynen said also that in the unofficial discussions Israel had asked a favor from Finland concerning the improvement of Israeli relations with the Soviet Union and also concerning the easier emigration of jews from the Soviet Union. Vayrynen said that he would, in the normal diplomatic manner, convey the information from the discussion to the Soviet authorities, but went on to say that Finland can have no political role in the relations between Israel and the Soviet Union.

/9738
CSO: 4400/137

ISRAEL

BRIEFS

TRADE DEFICIT FIGURES--Israel's trade deficit increased during the first 2 months of 1986 and reached $423 million. Industry and Trade Ministry officials believe that exports will increase in the coming months, thereby reducing the trade deficit. [Summary] [Jerusalem Domestic Service in Hebrew 1705 GMT 9 Mar 86 TA] /9738

INCREASE IN IMPORTS--Imports of goods, especially of consumer durables, are again rising. The Central Bureau of Statistics announced on Friday that in the first 2 months of 1986 there had been a 6 percent increase in imports of goods over the monthly average for the second half of 1985. Last month merchandise worth over $720 million was imported, compared to $582.3 million in February 1985, the bureau said. But the rise in imports during January and February was partially offset by a 13 percent reduction in the value of imported fuel, the bureau added. [Text] [Jerusalem THE JERUSALEM POST in English 9 Mar 86 p 2 TA] /9738

CSO: 4400/137

BRIEFS

JAPANESE LOAN AGREEMENT--(MC)--Jordan will receive a $3 million loan from Japan to partially finance engineering services conducted by the Telecommunication Corporation Networks in Amman, Irbid, and Ma'an. The sum is part of a larger loan to be granted to Jordan once the first preparatory work for the project has been completed. Minister of Planning 'Abdallah al-Nusur and Japan's ambassador to Jordan signed the loan agreement. [Text] [Amman Television Service in English 2000 GMT 6 Mar 86 JN] /8918

WEST GERMAN LOAN AGREEMENT--(MC)--Jordan will obtain a 10 million mark loan from West Germany to finance agricultural projects in Jordan. The loan will be channelled through the Agricultural Credit Corporation to small farmers in Jordan. The loan will be channelled through the Agricultural Credit Corporation to small farmers in Jordan. The loan agreement was signed by Dr al-Nusur, minister of planning, and the West German Development Bank director. [Text] [Amman Television Service in English 2000 GMT 6 Mar 86 JN] /8918

RAILWAY LINK TO EUROPE--(MC)--The Jordanian Government has decided to begin studies on building a modern railway from Amman to Dar'a in order to link Jordan with the railway network in Turkey and Europe via Syria. Thirty million dinars have been allocated for this project over the next 5 years. The project, which will cost 75 million dinars, aims at transporting commodities, passengers, and phosphate to 15 countries. The railroad will transport 5 million metric tons of commodities and 1 million passengers annually in each direction. [Excerpt] [Amman AL-DUSTUR in Arabic 8 Mar 86 p 2 JN] /8918

NEW TV, RADIO CHIEFS--Amman (J.T.)--The cabinet Wednesday announced the appointment of Mr Muhammad Amin as director of Jordan Television as of 23 March 1986. Mr Amin, who had served as director of news at the television station, replaces Dr Muhammad Khayr, who has been appointed by the cabinet as director of al-Husayn Youth City. Another cabinet decision announced Wednesday appointed Mr 'Isam 'Aridah as director of Jordan Radio to replace Mr Sulayman al-Mashini, who will retire on 23 March. Mr 'Aridah had served as director of al-Husayn Youth City until his new appointment. [Text] [Amman JORDAN TIMES in English 20-21 Mar 86 p 1 JN] /9274

AL-DUSTUR SHARE HOLDING--Amman (J.T.)--The Jordan Press and Publishing Company, the publisher of the Arabic daily AL-DUSTUR, announced on Wednesday that it was going to become a private shareholding company. Jordan Press and Publishing Company, which also publishes the English-language weekly, THE JERUSALEM STAR, is to sell 65 percent of its shares to public and private institutions. A similar decision was taken last Monday to transform the Jordan Press Foundation that owns AL-RA'Y and the JORDAN TIMES into a similar share holding company. [Text] [Amman JORDAN TIMES in English 20-21 Mar 86 p 1 JN] /9274

TCC BECOMES PUBLIC COMPANY--Amman--The telecommunications Corporation (TCC) board of directors on Wednesday announced the conversion of the corporation into a public shareholding company with all shares to be owned by the government at the first stage towards changing the status of the government-owned TCC into a full-fledged commercial entity. [Excerpt] [Amman JORDAN TIMES in English 20-21 Mar 86 p 1 JN] /9274

CSO: 4400/139

OMAN

REASONS FOR DEVALUATION OF RIYAL PRESENTED

Oman 'UMAN in Arabic 22 Feb 86 p 3

[Article: "Dr 'Abd-al-Wahhab Khayyatah, Chief Executive of the Central Bank, Speaks to 'UMAN:

Exchange Rate of the Omani Riyal Has Remained Unchanged since 1973"]

[Text] Changing the rate of exchange of the Omani riyal was one of the important measures taken by the Sultanate of Oman to maintain its balance of payments consequent to the collapse of world oil prices. The Central Bank of Oman (the banks bank) plays a principal role in maintaining the stability of the banking system in the country and in giving it the driving force it needs to sustain the development process in all domains.

The Central Bank of Oman also controls the nation's reserves of foreign currency to ensure the strength of the Omani economy and to meet its demand for foreign currency in all circumstances.

'UMAN met with His Excellency Dr 'Abd-al-Wahhab Khayyatah, chief executive of the Central Bank of Oman and vice president of the Board of Governors. We posed several questions to his excellency about the ramification of riyal devaluation, the Central Bank's role in strengthening the national economy, and the effect the riyal devaluation will have on prices of goods, especially imported goods, on other currencies, and on commercial banks operating in Oman.

In view of the fact that a change in the exchange rate of the Omani riyal is a specialized economic matter, affecting the value of the currency and consequently the economy and other currencies, and in order to seek clarification and details of this critical issue which is on the minds of many people, 'UMAN availed itself of this interview and put this first question to His Excellency Dr -Abd-al-Wahhab Khayyatah, chief executive of the Central Bank of Oman and vice president of the Board of Governors:

[Question] What does a change in the exchange rate of the currency mean? When does the state resort to this measure? What effect will this decision to change the rate of exchange have on the Omani economy?

[Answer] The term "rate of exchange" refer to the process of fixing the value of a country's official currency vis-a-vis the value of another country's currency for a specific period. This rate may go up or down as a result of a change occuring on either side of the equation. For a long time the Omani riyal has been pegged to the U.S. dollar, since the Sultanate's sale price of crude oil, the country's main source of foreign revenues, has been based on the value of the U.S. dollar, in observation of the international custom, and this rate has been based on a certain percentage that has remained unchanged since 1973.

Drop in the Price of Oil Affects the Balance of Payments

[Question] What is the impact of a lower crude oil price on the balance of payments?

[Answer] One of the changes that have occurred recently is the drop in the price of crude oil internationally for reasons beyond the Sultanate's control. This has had an impact on the Sultanate's external balance of payments. For this reason the government decided to change the value of the Omani currency vis-a-vis the U.S. dollar in order to cope with this new condition and achieve equilibrium.

In fact, the decline in the price of oil began 3 years ago while the U.S. dollar held its position in international markets. Because the Omani riyal was pegged to the U.S. dollar, it has been able to absorb the shock of the price drop to a large extent. Furthermore, the Sultanate has been able to increase production rates thereby stabilizing the value of its currency, and this was made possible because the balance of payments remained in a state of equilibrium.

Reevaluating the Riyal vis-a-vis the U.S. Dollar

Since there are indications that the decline in the price of oil may continue for a long period, the government of Oman has found it imperative to reevaluate the Omani riyal vis-a-vis the U.S. dollar in order to restore equilibrium. Hence the need for the change in the exchange rate of the riyal while continuing to peg the riyal to the U.S. dollar, but at a lower rate of 10.2%.

Optimum Use of Resources

[Question] What is the role of the Central Bank in managing a portion of the Sultanate's reserves of foreign currency to strengthen the national economy?

[Answer] The Central Bank manages the country's reserves of foreign currencies in order to achieve optimum employment of those resources and in order that those reserves may be used to meet the country's need for foreign currency. For example, paying for imported goods in foreign currency, for travel abroad, hospitalization overseas, interest on loans and other capital transactions are all covered by the currency the Bank makes available to the national economy

through the banking system in the Sultanate. The Central Bank controls an important portion of the country's reserves of foreign currency to meet those needs.

Devaluation of Riyal Has a Limited Impact on Prices

[Question] Because many foreign firms in the Sultanate deal in U.S. dollars and purchase their equipment from abroad with dollars many believe that a devaluation of the Omani riyal will lead to more inf'ation in the Omani market. What is your comment?

[Answer] In principle, the devaluation of any currency is bound to trigger higher prices for imported goods paid for in the local currency, but that is i- porportion to the amount of devaluation only. This situation obviously .plies to Oman, which is dependent to a large extent on imports of foodstuffs, machinery, and equipment. Therefore, a devaluation of the riyal could lead to higher payments in the Omani riyal in settlement of those import invoices, and part of this increase be passed on to the Omani consumer. But since the main exporters to Oman, notably West Germany, the United Kingdom, France, Japan, and the United States are taking measures to curb inflation, the devaluation of the Omani riyal will only have a limited impact, with the possibility of minimizing it.

Retailers Should Be Content With Making a Reasonable Profit

Retailers in Oman shluld help to prevent prices from rising to an inflationary level by being content with making reasonable profits. We should point out here that reduced inflation in the exporting countries should lead to lower prices of imported goods paid for in the local Omani currency and subsequently to offsetting the increase created by the devaluation of the Omani riyal.

No Restrictions on Remittances Overseas

[Question] Will the commercial banks in Oman tolerate the new rate of exchange of the Omani riyal and will this not have any adverse effect on baking transactions?

[Answer] The devaluation of the riyal will not place any additional burden on the commercial banks in Oman, because those banks normally work to achieve a balance between their assets and demands for foreign currency to avoid becoming vulnerable to fluctuations of currency values.

When banks fail to achieve this balance between their assets and demands for foreign currency, they can become vulnerable to the fluctuation of currency values.

The banking system in Oman is based on a solid foundation supported by skillful control of foreign currency so as to minimize the possibility of being affected by those risks.

The banks are absolutely free to transfer funds from and into Oman without the least restriction or condition. Furthermore, individuals have full freedom to transfer their assets overseas without any interference or restrictions.

13257/12951
CSO: 4404/244

OMAN

QABUS PORT ACTIVITY SUMMARIZED

Oman 'UMAN in Arabic 22 Feb 86 p 2

[Article: "Qabus Port Achieves a High Level of Performance in 1985"]

[Text] The Organization of Port Services, Ltd (Qabus Port) witnessed a marked improvement in its overall performance in 1985, realizing a 7 percent increase in revenues despite the drop in world maritime transportation volume.

The organization sent several of its employees for advanced training overseas as part of its ambitious plan to replace foreign workers with skilled local manpower.

During 1985 a total of 1,580 ships and 128 motorboats called at the port, compared to 1,481 ships and 118 motorboats in 1984, up 6.6 percent and 8.4 percent.

Goods arriving at the port in 1985 totaled 1,218,015 tons.

Imports

Total imports by ship amounted to 1,207,171 tons and by launches 10,844 tons

Exports

Total exports by ship were 46,800 tons and by launches 3,198 tons. The number of ship containers handled at the port increased by 18.7 percent to 48,300 containers in 1985, in comparison to 40,690 containers in 1984.

Imports of loose wheat in 1985 amounted to 100,773 tons, a slight drop of 9,400 tons from the 1984 figure. Exports of pure copper from Qabus port continued throughout 1985, with a total of 610 containers containing 12,200 tons shipped to Europe and Japan during that year.

During the same year, exports of fish went up, with the number of containers of fish handled at the port totaling 655. Grape exports also went up to 1,060 tons (53 containers) in 1985.

Re-Exports

Unloading: 100,800 tons from 8,008 containers. Loading: 100,00 tons from 7,968 containers.

Revenue Increase

The organization maintained a strong financial position in 1985, with total revenue amounting to 10,555,400 Omani r'yal, as compared to 9,854,400 riyal in 1984 yp by 7 percent.

Projects

1. The first phase in the reconstruction of Darsay and al-Wadi al-Kabir Kabeer camps has been completed and delivered. Work in underway on the second phase of this reconstruction project.

2. Work is in progress on the organization's new building at Jabruh, the contractor being the Al Hamd Company.

3. The construction of two locomotives, (Foreth) Schneider brand, is underway at the Spanish International Company (Estelerose).

4. Work is in progress on a comprehensive renovation project for the commercial port subdivision (formerly Jabruh).

An open space will be made available to store containers and to park cars in response to the increase in the port traffic volume.

5. The following new equipment were purchased, tested, and put into operation during 1985:

1. One fork-lift, Hester, 25 ton capacity
2. One fork-lift, Mitsubishi, 6 ton capacity
3. One fork-lift, Mitsubishi, 3 ton capacity
4. One fork-lift, Komatsu, 6 ton capacity
5. Two fork-lifts, Komatsu, 3 ton capacity each.
6. One electric fork-lift, Komatsu, 3 ton capacity
7. One electric fork-lift, Hester, 3 ton capacity
8. One fork-lift, Hester 6 ton capacity.

13257/12951
CSO: 4404/244

PALESTINIAN AFFAIRS

PROSPECTS FOR PLO-JORDAN RELATIONS, DIALOGUE DISCUSSED

London AL-MAJALLAH in Arabic 12-18 Feb 86 pp 17-19

[Article by S.Q.: "The Amman Agreement Is Dead, but Relations between Jordan and the Liberation Organization Survive"]

[Text] "What happens next depends on the results of Arab and international contacts."

A whole year has gone by since February 1985 when the well-known agreement between the PLO and the government of the Hashemite Kingdom of Jordan was signed. This agreement, which was pivotal to activities connected to the Middle East question, was a galvanizing factor in the region. Because interpretations of the articles of this agreement were numerous and varied, relations between Jordan and the organization fluctuated. In some instances the two parties' activities and coordination efforts rose to an all-time high, but in other instances those relations came close to collapsing and were brought to a standstill.

At first, the ball was in the Palestinian leaders' court. Some of those leaders supported the agreement, and they would have supported more than what was in it, but there were others who were opposed to everything in it. But as time went by those opposing the agreement joined forces with its supporters, and everyone began holding on to this agreement because it was feared that new equations in the region could create a situation in which the organization's role would be bypassed, and the PLO would no longer be considered the sole representative of the Palestinian people.

Opponents of the agreement who joined forces with its enthusiastic supporters justify the shift in their position by stating that the government of the Hashemite Kingdom of Jordan received offers to induce it to turn its back on the organization and its role. They say the government of Jordan turned down a "generous" offer to form a confederation with a number of countries surrounding Israel who would then speak for the Arab parties in the dispute, including the Palestinians, at the international conference that is to be held to solve the question of the region.

Thus, the agreement, which to its opponents represented the demands of Jordanians and moderate Palestinians when it was signed approximately 2 months

after the Palestine National Council met in Amman, became the objective and the goal of the PLO's "hawks" less than 1 year after it was signed.

This agreement may have been subjected to its harshest test last October when the meeting between the joint Jordanian-Palestinian delegation and Britain's foreign minister, Sir Geoffrey Howe failed because of what was described by Jordanians as the organization's retraction of a prior agreement to recognize Resolution 242 with its unequivocal stipulation that all the countries within the region, including Israel, have a right to live in peace within secure borders. The PLO responded by affirming that the meeting failed because the British government had amended the statement that Prime Minister Margaret Thatcher had made when she visited Jordan. The PLO cannot go beyond that statement, and it cannot yield on Palestinian invariable principles.

A new phase in relations between Jordan and the PLO began after this violent shake-up which undermined the Amman agreement. During that phase both sides engaged in intense communications and meetings. A basic shift also emerged when the estrangement between Amman and Damascus ended and was replaced by the onset of a new approach which is expected to take significant progress. This new approach began after Syria's President Hafiz al-Asad visited the Jordanian capital to reciprocate King Husayn's earlier visit to the Syrian capital.

It is known that when King Husayn met with the Palestinians after the meeting with Howe failed, he told them that they had to answer one specific question. Does the PLO clearly and unequivocally recognize the two UN resolutions, 242 and 338? In the past the PLO had simultaneously rejected and recognized those resolutions.

The Jordanian government said nothing as it waited for the PLO to speak. It seemed that the ball was once again in the PLO's court. Palestinian leaders held a series of meetings--some of those meetings were held in Baghdad--to study the new situation and to look for an answer to the question posed by the Jordanian monarch. The expected meeting between Palestinian leader Yasir Arafat and King Husayn was postponed not only because the PLO leader was indisposed, but also because the PLO was waiting for answers to questions it is said it had posed to the American administration through a third party. The PLO was expecting Arab developments that would rearrange the current balances of power in the region.

Palestinian Conditions

Over a period of 2 months during which meetings were held in Baghdad and communications between numerous Arab and international parties, including meetings and communications with Soviet officials, were underway, Palestinian leaders decided secretly not to recognize UN Resolution 242 unless the United States agrees to recognize the Palestinian people's right to determine their own destiny and accepts the PLO's participation as a principal party in the international conference that will be convened. On the basis of the February agreement between the PLO and the Jordanian government, Palestinians could attend that conference as members of a joint Jordanian-Palestinian delegation.

In an effort to regain the confidence between the Palestinian command and the Soviet Union during that period, the PLO turned over to Moscow a secret document

indicating its willingness to recognize Resolution 242 through the Soviet capital if Moscow could guarantee that the U.S. administration would recognize the Palestinian people's right to determine their own destiny and its willingness to accept the organization at the negotiating table in the next phase.

It seems that on the eve of the latest round of talks between Jordanians and Palestinians Moscow informed the PLO that the U.S. position was still unchanged and that there were no signs of any change soon in that position. The United States refuses to recognize the PLO and any role for it as long as the PLO does not recognize first without any conditions or guarantees the two aforementioned UN resolutions and the Zionist state's right to exist.

Thus, the PLO delegation went to Amman last January 25 feeling certain that relations with Jordan were in a bottleneck. The delegation was convinced that nothing had changed. The American administration was adamant about its previous positions, and the Jordanian government thought that time was running out. The Jordanian government thought that continued coordination between it and the PLO now depended on the Palestinians' willingness to recognize UN Resolutions 242 and 338.

Given this background, the talks that were held were difficult, and opinions were presented and countered. AL-MAJALLAH's sources affirm that the U.S. delegation, which was made up of Richard Murphy's two assisstants, Mr Rocky Sudderth and Mr Wat Cluverius, who were in Amman during the Jordanian-Palestinian talks, offered nothing new and concrete. What they offered did not even in the smallest way depart from the plan for the Middle East which was proposed by U.S. President Ronald Reagan early in September 1982 approximately 2 days after the departure of the Palestinian Resistance from Beirut. To be specific, as the Jordanians told Palestinians, the U.S. delegation presented its point of view in three points, all of which revolve around how the international conference that is being sought would be convened.

First, the functions and powers of this international conference would not be defined in advance. In other words, it must be understood now that the conference will be held to provide opportunities for deliberations and for efforts to mediate and bring the points of view closer together. The conference will not arbitrate disputes or make decisions.

Second, the PLO may attend that conference as part of the Jordanian delegation after it recognizes Resolution 242. If the PLO leader recognizes Resolution 242, he may nominate the PLO's representatives to that conference whose attendance at the conference would then be approved.

Third, all questions would be presented at the conference without any prior guarantees or conditions.

'Adnan Abu 'Awdah, Jordan's minister of the Royal Court suggested to the PLO that the Americans would reach an agreement with the Soviets or that they have an agreement with them on this format [for the conference]. But when Palestinian leaders asked Moscow for clarifications during their talks with the Soviets, Moscow denied any knowledge of such an understanding and affirmed that it was adhering to the unequivocal format for the international conference.

In response to the American point of view the PLO presented a memorandum which stated at the outset that Resolution 242 was one of the United Nation's resolutions which had a bearing on the Palestinian question. Recognizing that resolution requires that other resolutions be recognized also. Although Arabs and other international countries recognize Resolution 242, Palestinians do not recognize it in its present format because it does not deal with the essence of the Palestinian question. "Therefore, Resolution 242 has to be amended, and it has to be linked with the required clarifications, conditions and guarantees."

Faced with that memorandum the U.S. delegation reaffirmed its previous point of view, stating that what was being offered was the Reagan initiative, nothing more. The U.S delegation affirmed that recognition of Resolution 242 was required in return for convening an international conference at which "everything would be deliberated and discussed."

A Heated Exchange and Withdrawals

At this point, after it became evident that matters had reached a dead end, the exchange in the meetings became heated. One paragraph in the minutes of these meetings states:

"Abu 'Ammar, addressing the Jordanian monarch [said], 'Your Highness, if we recognize this resolution in this format we would be considered traitors to our people and our cause. After 20 years of fighting, after the blood that has been spilled and after thousands lost their lives and their homes and suffered injuries I cannot betray my people. I can never betray them.'

"The Jordanian monarch reply was stern and sharp: 'I cannot allow you to say what you said. We do not accept treason, and we can never betray our people. We are looking for a solution to the tragedy of our families and our people because time is running out at the expense of this question.'"

After a few stormy moments, it became evident that a deadlock had been reached, that the agreement was dead and that estrangement was imminent. The Jordanian monarch then issued a statement that was delivered by Abu 'Awdah who relayed the king's statement to the Palestinians. The king stated that he would discuss everything with his "people" who are living under the yoke of the occupation. The king said he would address them and ask them to assume control of the question and make their own decision on the matter.

Palestinians told Abu 'Awdah the PLO was affirming its appreciation of King Husayn's motives for caution. Abu 'Awdah was told that the PLO certainly did not want an estrangement. He was told that the PLO too can address its "people" who are living under the yoke of the occupation. The PLO affirmed that when it speaks, it speaks for the residents of the Gaza Strip and the West Bank.

When matters reached that point, the U.S. delegation tried to strike a blow at the right time. It rejected any further talks about an international conference and demanded that Jordanians begin talks immediately with Israel's Prime Minister Shimon Perez. But the Jordanian government did not comply with this demand, and it chose to continue its talks with the Palestinians despite the

fact that the U.S. administration announced that day that it was freezing all previously approved aid to the Jordanian Kingdom.

On the following day while Abu 'Ammar was holding a series of meetings with members of the PNC, who were in Amman, and with some members of the Central and Executive Committees, King Husayn met with Salah Khalaf, [alias] Abu Iyad, member of Fatah's Executive Committee. Abu Iyad and the king had a lengthy discussion about the joint Jordanian-Palestinian course of action since 1968. Abu Iyad described what transpired between him and the Jordanian monarch as extremely significant. "His majesty affirmed most sincerely that he is quite concerned about the Palestinian question even though we may have different points of view about the steps that ought to be taken at the present time."

Although the February Agreement is dead for all intents and purposes, it is because of what Abu Iyad has been saying about his meeting with King Husayn that Jordanians and Palestinians have been trying very hard to hold on to the delicate relations between them. In the meantime, they are waiting for Arab and international deliberations, and they are trying to find out what has been and what will be proposed so they can take their last step.

Palestinian circles indicate that the next phase will be one of deliberations. Communications between Jordan and Syria; between Jordan, Iraq and Egypt; between Palestinians and Egyptians; between Palestinians and Iraqis; and between Palestinians and a number of other Arab countries are expected. In addition, both parties will be communicating with political activists in the occupied land, and there will be intense communications between the Soviet Union and the PLO. If Jordanians are expected to shore up their position by strengthening the position of the Jordanian parliament, Palestinians will reaffirm national unity as a weapon.

In both cases, however, Palestinian officials are affirming that actual relations between Jordanians and Palestinians will not be affected by current differences in points of view. They are rejecting and denying rumors about the possibility that the Palestinian presence in Jordan, particularly the presence of some Palestinian leaders, organizations and forces, will be affected by what happened.

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PALESTINIAN AFFAIRS

DISPUTE WITH JORDAN, FUTURE STEPS DISCUSSED

London AL-MAJALLAH in Arabic 25 Feb-4 Mar 86 p 19

[Interview with Nabil Sha'th, Yasir 'Arafat's political adviser, by Mahmud Sadiq: "The Dilemma of Resolution 242; the Collpase of the Jordanian-Palestinian Agreement;" in Cairo]

[Text] Dr Nabil Sha'th, political adviser to Mr Yasir 'Arafat, chairman of the PLO's Executive Committee, has always been described as a Palestinian moderate who supports the idea of talking with the United States so that progress can be made toward a peaceful settlement. Dr Sha'th has also been one of the most enthusiastic supporters of the normalization of relations between Egyptians and Palestinians. That support is based on what are purely strategic considerations.

In this interview which AL-MAJALLAH conducted with Dr Sha'th when he was in Cairo with the Palestinian delegation that accompanied Mr Yasir 'Arafat in his recent visit, Dr Sha'th talks about the reasons for the disagreement between Jordanians and Palestinians. He talks about what Mr 'Arafat achieved in his talks in Cairo, and he talks about what Palestinians will do after the talks in Amman collapsed between them and the Jordanians. The text of the interview follows.

[Question] Many political observers have been saying that Abu 'Ammar comes to Cairo whenever he finds himself in a tight spot. Very briefly, what does 'Arafat want from Egypt?

[Answer] Abu 'Ammar wants Egypt to back his cause, and he wants the Arabs to back Egypt. Accordingly, Abu 'Ammar is looking strategically at Egypt's return to the Arab scene. Strategically speaking, he believes that Egypt's return to the Arabs is the basic and principal way to go. Besides, the war between Iraq and Iran has to be brought to an end so that balance in the position and in the equations of Arab powers can be restored. 'Arafat implements this policy in Egypt and elsewhere whenever he can. He knows quite well that at the present time Egypt cannot stand by him in his dilemma in the same sense that we would understand such a posture. Egypt, however, could stand by Abu 'Ammar and save him from his dilemma when it can put its military and political forces as well as its media on his side. 'Arafat knows that Egypt cannot do that now. He does not come to Egypt crying for help. His visits to Egypt are strategic not tactical. He understands all the limitations that are imposed on Egypt's present

tactical power. He also understands that Egypt has no magical solutions for him at this stage. Let me affirm that 'Arafat does not come to Egypt crying for help. He comes to Egypt for consultations, and he consults with Egyptians so that a framework can be drawn for Egypt's unconditional return to the Arab ranks and for his unconditional return to Egypt.

[Question] Forgive me, Dr Sha'th. I'm not talking about strategies about which we may not disagree. Let me rephrase my question. It was said that the purpose of Mr 'Arafat's previous visit was to send a message to Jordan when Jordan began its rapprochement with Syria because he was afraid that Jordan may revoke the 11 February Agreement. This time, it is being said that 'Arafat came to Cairo to discuss the continuation of the Jordanian-Palestinian role in the next phase after the suspension of the recent talks in Amman.

[Answer] The recent talks in Amman were suspended because of the American role and the intransigent U.S. position. This is what 'Arafat declared, and this is the truth. In the final analysis the United States is the enemy. It is the United States that is leaning on all the Arab powers to induce them to beleaguer the PLO. The United States wants to use different methods to strike the PLO. It is using either political or military pressure to eliminate the organization physically. This became evident when Abu 'Ammar's office in Tunisia was bombed. It became evident in all the defamatory operations that were carried out in the aftermath of the Achille Lauro operation and after talks between Palestinians, Jordanians and the British were suspended. Other things have also indicated that the United States wants to eliminate the PLO. The United States then is ultimately responsible for any stagnation or deterioration of the situation. The recent talks, however, could have been completed if 'Arafat had been willing to surrender. There are Arabs who are willing to surrender, and there are those who accepted Resolution 242 by itself. But 'Arafat can never recognize Resolution 242 by itself because that would mean that he is recognizing in advance Israel's right to exist or that he is recognizing Israel's right to exist indirectly without any affirmation of the Palestinian people's right to determine their own destiny on their own land. 'Arafat can never recognize Resolution 242 unless such recognition is linked with all UN resolutions [in that regard], with all Arab summit resolutions, and with the Palestinian-Jordanian agreement as well.

'Arafat now brandishes that agreement with Jordan whenever Jordanians speak to him about the need to recognize Resolution 242 by itself. Abu 'Ammar has used that agreement in Jordan to protect himself from different pressures and to state that that agreement comprised the right for self-determination, all UN resolutions and all Arab summit resolutions. Abu 'Ammar declares that he is adhering to that agreement. We face a dilemma or we go our separate ways when we are asked to do something different from the agreement that was signed in February 1985. This is something Yasir 'Arafat will not accept. Mr 'Arafat comes to Egypt and goes to different Arab and international countries to tell them, "I am neither suicidal nor adventurous; I am also not reckless about my country's cause, but I have the flexibility to say, 'Here are my practical formulas. These practical formulas, which I presented, adhere to the agreement I made with Jordan. If Jordan wants to depart from the agreement that was signed, that is its own affair.'"

[Question] Let me ask once again about the specific differences between Jordan and the PLO. What are the differences that led to the suspension of the Amman talks?

[Answer] This is the point about which there is a difference: Resolution 242 by itself. There is no other point about which there is a difference of opinion. We absolutely refuse to talk about 242 exclusively. We are willing to talk about any other formulas that affirm the right of the Palestinian people to determine their own destiny and affirm UN resolutions. We don't want anything more. The problem lies in the fact that we are not negotiating with Jordan; we are rather negotiating with the United States through Jordan. We don't have a problem with Jordan, but we do have a problem with Israel over Palestinians' right to determine their own destiny. We don't want anything from Jordan. What we want is our land in Palestine.

[Question] Would sitting with the United States and talking with it be a victory for the PLO?

[Answer] My dear man, the struggle against the enemy is carried out in different ways: some are military; some are in the media; and some are political. The struggle against the United States and against Israel assumes the form of a military confrontation. Thus, sometimes my confrontation with the U.S. enemy is military when that enemy is confronting me militarily. But you also want to force that enemy to recognize you because when you do that you have a small edge. I did not say that talking with the United States would be a major victory. We don't want to sit with the Americans in a coffee shop. Palestinians are meeting with Americans every day, and there are Palestinians serving in the U.S. administration. Palestinian scholars and professors meet with Shultz every day. One meeting or one session with the Americans is not the point; the point is rather to compel the Americans to recognize us and our rights. Talks with the United States would not constitute a major victory, but such talks would compel the enemy to retreat in his confrontation with you. There is nothing more to it than that.

[Question] Is the PLO also willing to sit down with Israel before the international conference?

[Answer] In its relationship with the Israeli enemy the PLO adheres to all the pacts that all Arabs, not just the Palestinians, ought to adhere to. This is not a "holier than thou" attitude: we will not recognize the Israeli enemy in any negotiations, and we will not recognize his usurpation of our land. The problem is how to face the Israeli enemy in a peace conference because the Israeli enemy will be there. When we go to the United Nations we find the enemy there. Discussions take place and the Israeli enemy speaks, and we stand up and respond. The problem has to do with the pact. When I sit with the Israeli enemy at a peace conference, does that mean that I will recognize him? What we are saying is that even that has to be determined by a comprehensive Arab formula that would not allow disunity and back stabbing.

[Question] What will Abu 'Ammar do if Egypt's mediation effort to win approval for any of the three formulas fails?

[Answer] And what will King Husayn do? Abu 'Ammar is not in a critical situation, and we don't have to ask what he will do. Abu 'Ammar's posture and his position are correct; we have not achieved what we are hoping to achieve, and we did not liberate Palestine.

[Question] What will happen to the peace talks and to the international conference?

[Answer] There are 101 channels [for these talks]. There is a trip to the Soviet Union, and the meeting between Gorbachev and Reagan will be held soon. One of the most important items on the agenda for that meeting is the Middle East. The meetings are continuing. In addition, actions inside the country are escalating; our position is good in the Lebanese camps; and the Palestinian position is more unified. A meeting with all Palestinian organizations will also be held soon in Moscow. And efforts are continuing.

[Question] Does this mean that military operations are not being escalated?

[Answer] This will always mean military operations are being escalated. There can be no linkage between military operations and progress toward a peaceful solution, whether or not there is progress toward that peaceful solution. The escalation of military activity is a strategic issue that has nothing to do with talking about a peaceful solution. The escalation goes on. Anyone who opposes such escalation would be opposing his cause in war or in peace. There can be no retreat from that position even if a peaceful solution were being discussed. Escalating military operations will support the Palestinian right.

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QATAR

INFORMATION OFFICIAL VIEWS OFFSHORE GAS FIELD PROSPECTS

Jeddah ARAB NEWS in English 17 Feb 86 p 10

[Article by Abdullahi Sheikh Muhammad]

[Text]

JEDDAH, Feb. 16 — The North Gas Field of Qatar, considered one of the biggest in the world, is expected to yield more than 300 trillion cubic feet of gas as per first estimates, according to a highly placed Qatari Ministry of Information official.

In an interview with *Arab News*, the official said the first phase of production will begin in 1988 and is expected to cover the consumption of gas in the local and Gulf markets. The second phase, expected to commence in 1992, will meet the needs of world markets.

Quoting Sheikh Rashid Awidah Al-Thani, Director General of the Qatari Public Corporation for Petroleum, he said the North Gas Field was discovered in 1971 in the sea lying to the northeast of Qatari peninsula. The field, sprawling over an area of 6000 square kilometers or an equivalent of 2300 square miles, is expected to produce 4,000,000 cubic feet of gas daily over a period of 100 years. This initial production will meet all the needs of Qatar and will further provide some surplus for export to external markets, he said.

On the export of the gas to foreign markets, the official quoted Sheikh Rashid as saying that the transportation of gas to outside markets was costly. As such more revenues are earned from exporting gas to nearer consuming markets. On this basis, Qatar is seeking markets in the neighboring Gulf Arab states for the bulk of its gas production from the North Field.

The cost of the initial phase of developing the field is estimated at over $1 billion while the total cost of the first and second phases of the project, which would meet the entire local needs and would leave about six million tons of gas for export is estimated at $5 billion .

As for the time required to start production, the official said, "the engineering work of the first phase aimed at meeting the needs of the local market has gone a long way and initial production covering 80 percent of such needs are expected to begin at the end of 1988.

He said a new company called "Qatar Gas" has been created to assume the responsibility of exporting the production exceeding the local needs. The new company in which the British Petroleum (BP), the French Petroleum company, CFP and the Japanese company Marubini are taking shares aims to export about 1,000,000 cubic feet of gas daily.

On the economic benefits that the new field might bring to Qatari economy, the official said that it would be very difficult to predict the exact effects. A lot will depend on the continuity of existing prices of gas but all indications show that it will boost the economy of Qatar since it will form another source of income besides oil.

Qatar's oil reserves are expected to last between 20 to 30 years on the basis of current production levels without taking into consideration any new discoveries.

On this basis the gas revenues will no doubt reinforce those of the oil in Qatar during the rest of the century and will certainly be a substitute thereafter, he concluded.

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SYRIA

TISHRIN, AL-THAWRAH ON U.S. MANEUVERS OFF LIBYA

JN200852 Damascus Domestic Service in Arabic 0430 GMT 20 Mar 86

[From the press review]

[Text] The newspaper TISHRIN says: It is no coincidence that escalating Israeli threats to Syria coincide with U.S.-Israeli talks in Tel Aviv to promote their strategic alliance and U.S. military and political moves in the region, especially since the U.S. fleet yesterday began the third provocative maneuvers off the Libyan coast in less than 2 months.

The newspaper explained that accusing Syria of preparing aggression is in itself preparation for Israeli aggression against Syria, especially in light of the Israeli-U.S. coordination.

On U.S. maneuvers and the realities of Arab steadfastness, AL-THAWRAH says in its comment today: The U.S. Navy has begun new provocative maneuvers in the Mediterranean. Justifying the maneuvers, President Ronald Reagan said they come within the framework of the 6th Fleet's routing maneuvers because it would be unreasonable for this fleet to remain idle. U.S. sources have not ruled out that the U.S. ships might enter Libya's Gulf of Sidra during the current maneuvers. This statement confirms that the maneuvers are being carried out for hostile, provocative reasons. The maneuvers are part of a U.S.-Israeli move to threaten the Arab nation and impose hegemony and capitulation on it. They are also aimed at attempting to close off the region militarily in the interest of imperialism and Zionism.

The newspaper explains that the Arab masses fully realize the real objective of the U.S. threats and military maneuvers. These forces are determined to continue confronting attempts to impose hegemony and capitulation on the Arab nation. Threats and fleets will not frighten these forces, because the time in which colonialist forces used to control peoples' fate by force is gone.

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SYRIA

AL-THAWRAH ON U.S.-WESTERN CONSPIRACY AGAINST OPEC

JN160934 Damascus Domestic Service in Arabic 0430 GMT 16 Mar 86

[From the press review]

[Text] Under the headline "The Oil War and OPEC's Historic Mistake," AL-THAWRAH says: The oil war the United States and Western Europe are waging against the OPEC countries will undoubtedly escalate from now on because its economic and political effects are currently threatening the entire world economic situation, which will be unable to bear the impact of successive disturbances and crises in the international oil market. What is required now is not increasing oil prices but finding a new way to enable OPEC to assume its previous role.

Flooding the world market with large quantities of oil is principally a U.S.-Western game intended to show that OPEC all at once has lost control over the market. Thus, the United States simultaneously devalued the dollar. This step is aimed at complimenting the first step in flooding the international market with oil.

AL-THAWRAH affirms that the problems facing the oil producing countries lie basically in its opportunist dealing with Third World countries, isolating these countries politically and economically and encouraging Western countries to attack them. Although OPEC has practical options to rectify this historic mistake, undoubtedly the entire oil situation will not proceed in its favor until it licks its wounds and makes some necessary sacrifices. At any rate, the developing countries are called upon to accurately and realistically learn the OPEC lesson and move in the correct direction to thwart the tremendous economic pressures by the imperialist camp.

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SYRIA

AL-THAWRAH COMMENTS ON U.S.-ISRAELI THREATS

JN160853 Damascus Domestic Service in Arabic 0430 GMT 16 Mar 86

[From the press review]

[Text] AL-THAWRAH says: How long will the United States remain deluded that the policy of threatening with aggression can frighten the Arab forces of steadfastness? Moreover, has the United States not yet realized that the time when colonialist countries moved warships or made threats to change the situation in the colonized countries has gone for good? The United States massed its largest ground, naval, and air forces to oppress the will of the Vietnamese people but failed and suffered the worst political and military defeat in its history. Moreover, massing warships and landing U.S. forces in Beirut only led to a new U.S. defeat and the United States was forced to withdraw its forces and fleets without being able to impose its hegemony or Israeli conditions on the Lebanese people.

Today, as the United States moves its fleets with complete coordination and timing with the Israeli threats it will only reap disappointment and failure. This is because the Arab nation and its steadfast forces led by Syria fully realize that their steadfast stand to which they adhere in defending the Arab cause will necessarily place them against the United States and Israel and are willing to shoulder the responsibilities of this stand. In return, the U.S.-Israeli forces of aggression must realize that if the war erupts in the region it will be difficult to predict its outcome or extent which will undoubtedly not be in the interest of the forces of evil and aggression but in the interest of the forces of freedom and the nations struggling to liberate their land and regain their rights.

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AL-THAWRAH COMMENTS ON SYRIAN RESISTANCE IN GOLAN

JN150825 Damascus Domestic Service in Arabic 0430 GMT 15 Mar 86

[From the press review]

[Text] Today's papers show great interest in the uprising of our people in the occupied Golan and in the news agency reports on the Syrian Arab citizens' intense confrontation of the Zionist occupation forces which has taken the form of angry demonstrations and daily clashes despite the campaign of arrests waged by the enemy authorities. The news agency reports say that the occupation's prisons are filled with Syrian citizens, including men, old people, women, and children. The enemy authorities have also declared a state of emergency in the towns and villages of the occupied Syrian Golan Heights, turned them into a closed military zone and imposed a curfew.

Commenting editorially on this situation under the headline "Significance of Our People's Mounting Uprising in Golan," AL-THAWRAH says: Our people in the Golan have asserted their determination to defeat Israeli occupation and foil its annexation and Judaization plans. They have demonstrated by their solid determination, their strong abidance to the land that they are determined to foil Israeli plans one after the other. Despite its opporessive measures and arrest campaigns, the Zionist enemy has not been able to make our people in the Golan accept Israeli identity cards. These cards were torn to pieces and thrown in the faces of the Zionist occupiers. As for the Israeli annexation decision, its fate has not been any better than that of the identity cards. It has remained ink on paper. This is because the will of our steadfast people in the Golan is stronger than enemy measures. Our people have asseted and defended the Arabism of the land and the citizen.

The paper adds: The attempt by terrorist Shim'on Peres, and later Yitzhaq Navon, to challenge the will of our people in the Golan was faced with a firm reply, indicating our people's strong determination to expel the occupiers. The angry popular uprisings witnessed by the Golan villages of Majdal Shams and Buq'ata is a practical interpretation of the stand of our steadfast country, under the leadership of struggler President Hafiz al-Asad, to liberate the Golan and all the occupied Arab territories and to regin usurped Arab rights. The strong resistance witnessed by southern Lebanon, the Golan, and occupied Palestine is the real starting point for the liberation battle and for achieving final victory over the Zionist occupiers.

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SYRIA

DAMASCUS RADIO COMMENTS ON FORTHCOMING MURPHY TOUR

JN071325 Damascus Domestic Service in Arabic 1142 GMT 7 Mar 86

[Station commentary]

[Text] Brothers, to confront the latest developments in the region and to foil their potential results, particularly following the armed popular uprising in Egypt against the Camp David accords and the U.S.-Israeli presence on Egyptian territory, the United States began to move in two directions: First, moving fleets and aircraft carriers toward the Mediterranean on the pretext of carrying out new war maneuvers, and second, dispatching envoys on the pretext of supposedly activating the peace process in the region.

U.S. Vice President George Bush's visit as well as the forthcoming tour by Richard Murphy, assistant U.S. secretary of state, come within this framework. The U.S. officials were eager to state that Murphy is not carrying new ideas. This means that Murphy has the same known ideas based on Washington's opposition to holding an international conference and its refusal to grant the right to self-determination to the Palestinian Arab people, as well as its adherence to Camp David and direct negotiations which were contained in the subsequent formulas for U.S. Middle East policy and the Reagan initiative.

This affirms that Murphy's tour, like his previous ones, will focus on attempting to market the known U.S. stands in the region. These declared objectives of the tours of Washington's envoys cannot hide the basic fact that the timing of these tours is also aimed at reassuring the Camp David agents and those running after capitulationist solutions that the United States is still present in the region, that it will not abandon them, and that the policy of separate deals and partial solutions is still the framework to which the Reagan administration adheres to solve the Middle East crisis.

In this context, the U.S. move to absorb the effects of the armed popular uprising in Egypt will not change the real state of affairs. Observers and political experts in the world capitals, particularly in the United States, are unanimous that the Mubarak regime in Egypt has entered the phase of downfall and that the Egyptian regime's crisis is a result of the failure of U.S. policy in the region. This is because what happened to the 17 May agreement at the hands of the Lebanese people and their national resistance constitutes a precedent and an example which are being repeated now and which are crystallized in the uprising of the masses of Arab Egypt, which issued their verdict

on the Camp David accords and on the U.S. and Israeli presence and practically implemented their decision through the current people's uprising that is still continuing despite the repression and arrest campaigns. This in itself is what is worrying the United States and making it fumble about in assessing the events and tackling its Middle East policy. The policy of wielding strength and aircraft carriers cannot succeed in reviving the U.S. policy or in removing it from the obstructed path it has reached as long as this policy continues to ignore the bases of a just peace and tries to foil [words indistinct]. The path to peace in the Middle East, as President al-Asad said, is by putting an end to the expansionist Israeli ambitions and returning usurped rights to their legitimate owners, including the Palestinian Arab people's rights to their territory and homeland and their free right to self-determination and establishment of their independent state.

/8918
CSO: 4400/132

UNITED ARAB EMIRATES

DUBAYY PORT: WIDE-OPEN TRANSIT POINT

Paris LIBERATION in French 7 Mar 86 p 30

[Part 3 of an article by Jean Laleoutien: "Gold-Laden Dhows"]

[Text] From cow-manure to heroin to rare exotic birds, the port of Hamriya is a gigantic bazaar, supplied by deceptively clumsy-looking dhows hailing from Somalia, India, or Pakistan. Among its steadiest customers are the Iranians, eager for refrigerators, innerspring mattresses, and, they do say...light weapons...

The port of Hamriya, in the Arab Emirate of Dubayy, is set aside for vessels carrying sacks and cordage, old coastal vessels pocked with rust, flying spur-of-the-moment flags, and dhows ready to carry any cargo anywhere for anybody. Almost no cargo is taken on at Hamriya, a port whose prime concern is imports. The dhows from Somalia carry goats and pied sheep, in such numbers and so crowded that watching them disembark is very like watching an illusionist turn. From Iran, they carry rosewater, apples, dates, raisins, banana cookies, and paving-stones. India sends the Emirates fodder, fertilizers, Gudjarat onions, fresh fruits in season, and other comestibles.

In addition to raw cotton, licorice in bulk, rice, and the famous Balukistan camels -- renowned for their speed and therefore much in demand for the endless and terminally boring races that are one of the very few officially sponsored entertainments on Fridays--Pakistan has made a specialty of cow-manure in various stages of processing. Insofar as this manure is abundant, smelly, clumsily packaged, and, dried though it is, uninviting enough to look at that only the very rare inspector is tempted to touch it, it makes an excellent cover for far more rare and precious merchandise.

Hashish Stashed in Cow-Manure Shipments

Despite the crusade General Zia is preaching -- and which runs up against the corruption endemic in his government -- Pakistan in fact exports, through the Emirates, ever-increasing quantities of drugs: heroin, opium, hashish, ganja, and bhang [Tcharas], and sundry other mysterious decoctions, mainly originating along the

borders of Afghanistan and Pakistan. Hashish almost invariably arrives aboard a dhow, squirrelled away in consignments of cow manure, rice, or dried fish. Heroin, because it is considerably less bulky, tends to be shipped by air. However. the special columns in the Gulf's daily papers, which daily report the latest drug confiscations, just recently mentioned the discovery of 8 kilos of Pakistani heroin aboard a ship anchored off the port of Fukaira, on Oman's Gulf Coast.

From the Emirates, hashish and heroin -- for which there is little market here -- leave for the Mediterranean, Europe, or the United States: by plane (Dubayy is renowned for its excellent airline connections) or aboard trucks, whole fleets of which daily supply the local markets with fresh produce from the Near East. One Bombay customs officer says drug smugglers used to have very little contact with the gold-smugglers, but these days the gold-smugglers are turning increasingly to the drug-runners for a quick advance of the hard currency they need to make their gold purchases on the London or Zurich markets.

There is something about Dubayy that is reminiscent of Venice in its golden age: this is what might be called a poor-man's Venice, not quite up to Carpaccio standards, perhaps. Yet, even so, you can stumble on the familiar ambiance of some of the Venetian master's paintings on the Creek, where, to mark some important visitor's arrival, the ceremonial dhow, under the chivvying protection of a pack of patrol-boats, unfurls its glorious battleflag, while the turbanned, bearded mullahs preside over mysterious ladings aboard dhows bound for Iran, and representatives of seven or eight peoples from all over the earth haggle on the docks among bundles, crates, and bales of goods of every description. All the treasures of the souk are arrayed on display there all day long, amid aninterminable coming and going of trucks, carts, barrows, creepers, and wheelbarrows.

The incessant shifting of goods from hand to hand reminds the observer eerily of an endless but quite peaceable sack. Along more than a kilometer, from the Indo-Suez Bank to the Hotel Sheraton, dhows by the hundreds, often as many as three or four rows of them, cluster together according to their destination: Iran, the Gulf ports, India or Pakinstan, Iemen, Djibouti, Somalia, Kenya, Zanzibar... Dubayy today is unquestionably the biggest coastal shipping port in the world.

Microwave Ovens and BMWs: Destination: Iran

Amid the thicket of antennae and loading-booms, the practiced eye learns to distinguish among the various types of "boutres": that French term describes none of them, any more than does the British equivalent, "dhows." Just what to call these craft has been the subject of rabid controversy of byzantine complexity and chicanery among numerous writers, mainly British.

For the time being, though, the polemic has lost its savor. Though on rare occasions you might still get the occasional glimpse at Dubayy of one of the "baghlas" or "ganjas" or "Kotias," with their ample, projecting poop-decks and intricately imbricated portholes, instantly evocative of the 17-th century Portuguese ships that first inspired the local shipbuilders, even though the Iranian "boums," with their tapered, elevated foredecks, their lofty antennae, and their rudders operated by a complicated system of chains and pulleys, are undeniably the ones that most closely resemble the ideas we generally tend to have of what a "boutre" should look like, all these craft, which habitually rely on their sails only as the occasional auxiliary and are equipped with powerful engines, would fall under the broad and condescendingly trivializing classification of "launches" or "country craft."

Furthermore, these Iranian "boums" are by far the most numerous among the motley fleet taking on cargo on the Creek. In May 1985 (the most recent date available), 420 "boutres" sailed from Dubayy bound for Iran.

Judging by the plethora of panoramic refrigerators, microwave ovens, cybernetic coffee-makers, and variable-geometry cookware -- and, to a lesser degree, of period furniture and innerspring mattresses -- the lot of the Iranian housewife under the Ayatollah's regime must be a lot more enviable than we have been led to believe. Incidentally, this orgy of top-of-the-line equipment, including video tape-recorders and new BMWs, bears ironic witness to the persistence of social inequality and of the depraved tastes so sternly stigmatized by the turbanned ones.

In addition to the banks with headquarters in Dubayy -- Saderat, Melli, etc., -- which play a major role in the financial transactions of the Islamic Republic, Iran has a shopping center attached to its Dubayy consulate.

Unlike Saudi Arabia, the Emirates, eyeing the Iran-Iraq conflict, have taken care not to put all their eggs in one basket. Persistent rumors mention shipments of light weaponry and some not so light, or of spare parts, which quite recently used the Emirates as a transit point while en route to Iran. The fact remains that a great many official purchasing agents for the Islamic Republic wind up in Dubayy where, quite openly, they stock up on materiel which, while not classed as strategic, will nevertheless contribute to the Iranian war effort. This is true of spare parts for Iran's oilfields, as well as Caterpillar engines (under embargo)... cement, bale upon bale of wire, Toyota pickups and light motorcycles, chemical products -- including antidetonant additive for aviation fuel -- which you can see any day on the Creek, being laden by some very muscular types with shaven heads wearing cast-off paramilitary uniforms, and looking uncannily like Khomeyni's "pasdarans." (It is amusing, incidentally, that the vendors of U.S. military uniforms, of whom there are many on the Creek, are making out like bandits).

The official purchasing agents, who enjoy wide latitude for going wherever they please, sometimes give in to the temptation to make a little extra cash through the privileges that go with their position. American cigarettes -- most particularly, though God knows why, Winstons -- which they buy tax-free in Dubayy, are as good as gold in Iran, and even they are small-change compared with alcohol, which the Emirates import in quantities infinitely superior to their own abstemious consumption.

In return, in Dubayy you can get excellent Iranian caviar for 700 francs per kilo (about a tenth of what the best Russian caviar goes for right now at Petrossian), not to mention Persian carpets by the acre. For the past several months, anybody even marginally interested in fabulous imports from Iran has known about the imminent arrival of a carpet commissioned by the Shah in his glory days: it measures 1,000 square meters, and is locally expected to fetch 15 million francs.

It would be a tedious, not to mention humanly impossible chore to draw up an exhaustive list of what comes into or goes out of Dubayy through this minuscule port. Even so, while our ears are assailed every day with warnings of the imminent danger of the demise of the elephants, and strenuous efforts are made throughout the world to save them from extinction, it is interesting to learn that, by some indications, Dubayy is well on its way to becoming the turntable for the ivory traffic.

Some African signatories to the Washington Convention (on intertational Trade in Endangered Species), which sets strict limits on their legal exports of ivory, have no qualms about upgrading the bottom line of their monthly budget reports by wriggling around those arrangements. Well, Dubayy, served by "boutre" as well as by plane (two direct flights every week to and from Dar-es-Salam --) maintains numerous contacts in East Africa. Locally, at the highest level, the ivory traders are likely to be Arabs or Indians, many of whom have families or commercial interests in Dubayy. As their contribution, the Chinese who have settled in the Emirates take care of getting that illegal ivory to Hong-King, Macao, or Singapore, where there is an apparently insatiable market for it.

Traffic in Rare and Endagered Species

Given all this, Dubayy makes an ideal turntable, and it is hardly surprising that there is an abundance of contraband tusks here. In February 1986, about 40 tons of illicit ivory -- that amounts to 4,0000 to 8,000 tusks -- was confiscated in Dubayy; Asian buyers in much greater numbers, however, are now refusing to take delivery of contraband shipments.

Dealers in this kind of merchandise will also offer you zebra or spotted cat skins from Africa, and the skins of tigers, cobra, or deer from India and Pakistan.

Although the Emirates are officially party to the Washington Convention, they do not seem deeply concerned about enforcing its provisions: at Sharjah, a Syrian pet-shop openly offers for sale, along with permanently grounded peregrine falcons, etiolated lemurs, or silver foxes gasping in heat-exhaustion, crowned cranes from East Africa at 6,000 francs per paid (and covered with chicken-droppings because, in cages far too small for them, the shippers don't mind mixing scrub-rags in with the napkins), gouras from New Guinea at 10,000 francs per pair, and a palm Cockatoo, one of the rarest, ugliest, and costliest birds in the world, who rates a perch all to himself, and never mind if he lacks both tail and crest and, in general, everything that makes this grotesque avian monster interesting.

6182
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IRAN

MINISTER DETAILS POLICIES, PROJECTS REGARDING HEAVY INDUSTRIES

Tehran KEYHAN in Persian 26 Jan 86 pp 1, 18

[Text] Economic Service--The policies and new projects for the country's heavy industries for the year 1365 [21 March 1986 - 20 March 1987] were discussed by Engineer Behzad Nabavi, minister of heavy industries.

According to the economic correspondent of KEYHAN, Mr Nabavi, who spoke at yesterday's seminar of the Organization for the Development and Renovation of the Iranian Industries, regarding the planning and budget for 1365 also talked about the new objectives of the policies of the Ministry of Heavy Industries, activating new policies for qualitative and quantitative increase and percentage growth of the domestic goods, execution of the great projects in the upcoming decade of the revolution, the matter of foreign exchange reduction for various industrial units, partial or complete stoppage of production of some units and non-issuance of new principal agreements.

First, Engineer Nabavi pointed out the important role of correct and fundamental planning in the country's industry and stated: The 5-year strategic expansion plan which had been forecast on the basis of $24 billion annual income and a large rial investment, at the present time with due consideration to the circumstances of the war seems perhaps unexecutable.

Fortunately, in the recent past both in the Ministry of Heavy Industries and in the Organization for Development and Renovation of Iranian Industries more attention has been paid to the matter of planning and as far as possible it has tried to conform the programs to existing realities.

The formation of today's seminar is the result of this belief. If in the past we went through the planning process but in practice could not execute it, it was because all the information pertaining to our planning was contrary to the existing realities and it was but natural that a program or a plan which was formed three or four months before the end of the year did not include or meet the existing realities. And by the time we reached the beginning of the next year many of the components of the said plan would have changed and for this reason there was little or no connection between the plan or the program in question and its execution.

Fortunately, this year we have tried to prepare a kind of program to fit the existing realities. Of course, there are certain times when one goes through

all the motions of programming and all of a sudden the situation in the country changes and forces you to continually readjust the programming and this has been one of our difficulties in the past years.

However, as it was mentioned above this year we tried to do our programming according to the existing possibilities, therefore the formation of this meeting can be very beneficial and effective and all of you ought to prepare yourselves for a confrontation with the unforeseen likelihoods or probabilities of programming. To this end, for a positive drive or move toward the new progress of 1365, the present seminar must not be considered a mere formality.

Sometimes we have meetings in which we merely go through the motions of formality and discuss certain issues with the gentlemen.

God willing, in 1363 we will have the least possible difference between our effectuated programs and the existing realities of our ensuing actions and it is for this reason that with your own participation in the matter of programming and your direct involvement and familiarity with the existing conditions, more than ever before, you will become active in the execution process in 1365.

He went on to add: What I'm going to mention from now on is the accumulation or compilation of the materials which have been gathered during consecutive sessions of the council of deputy ministers and these materials set our future work criteria. The first investigation pertains to the goals of the formation of the Ministry of Heavy Industries as of the very beginning.

The most important issues in the first objective concerned the axes of:

- Increase of the reduced production level.

- Increase of the quality of production.

- And increase in the percentage level of domestic products which was reassessed and we reached the conclusion that in the area of reduced production level we have had a successful increase, as for the increase in the quality of production we were of the opinion that efforts should be made to increase the products which are needed by society. We had a lengthy discussion in this regard as to what are the true needs of our society and what are our roles in determining the pattern of needed consumption in society. Finally, we emphasized the condition for this specific goal that proper consideration should be given to an increase of products which are needed by an Islamic and revolutionary society which is in the middle of a war.

When we define this objective and say an increase of products which are needed by an Islamic and revolutionary society which is involved in a war, we are paying close attention to the limitations of the circumstances of a war effort and may have to do our programming accordingly. For instance, the Ministry [illegible] is working on the production of a special kind of military [illegible]

needed by our armed forces--this is a kind of military truck about which we have been fighting over two years now to stop its import. We fought and fought so much that the Khavar Company proved that it can produce the same and save us between 37-38,000 or even up to 50,000 Deutsche marks as difference in the foreign exchange earnings. This is the kind of capability which exists in the Khavar Company and so far it has delivered 500 of these trucks with good results, however there is still this pressure from certain circles to import these trucks from abroad.

Another example pertains to the kinds of road building machinery which are being produced domestically at the present time, while on the other hand there are individuals who say that they are looking for those kinds of bulldozers which can do somersault, pirouettes and flip-flops, in short they are trying to force us to go back to importing this kind of machinery.

What I'm trying to say is that this is the prevailing view under the present circumstances when we are doing our best to meet our objectives half way and for this reason we must act quite cautiously in this regard.

No one gives us any consumption pattern, no one is telling us that the production of private passenger automobiles must slow down a bit, however when we decide, for example to bring down the production level of private cars from 130,000 to 55,000 in 1356 [21 March 1977 - 20 March 1978] and later to reduce it even to 30,000 per year no one gives us a hint or a word of support but they put more pressure on us. For instance, we receive one telephonegram after another from the armed forces that says they are desparately in need of 100 or 200 of this god-damn Peykan and that the whole war situation depends on their delivery.

Whatever production we decide to change its consumption pattern is not certain for us whether the society as a whole will confirm or not. On the one hand, we hear them say why don't you try to enhance the quality and quantity of the cars, while on the other this very Defense Ministry wrote us a letter a while ago saying that instead of producing Peykan automobiles and disrupting the city's traffic more why don't you put your efforts into producing more efficient and better trucks for the battlefront. And exactly five days later we received another long letter which requested the delivery of 200-300 Peykan automobiles from the yearly quota of 1364 [21 March 1985 - 20 March 1986] for the employees of the defense department, reasoning that these employees are mostly working or fighting in the war fronts and if we delay the delivery of their cars it might weaken their morale.

Therefore, here I would like to emphasize that our new pattern of consumption must be based on an increase in the production of heavy industries needed by an Islamic and revolutionary society which is engaged in a war, while no one has tried to make an effort and give us any consumption pattern.

At any rate, we try to focus our attention on this axis of production growth which mainly involves the needs of the armed forces. We've made a great effort

in this regard, and as a matter of fact until two or three years ago, they told us that in all countries of the world their industries are totally at the service of the war while it is not so in our country.

Of course we would in turn answer that we ought to be asked so that we could be able to take some action and if no one asks us anything, how in the world can we go ahead and produce military materiel or machinery--this kind of equipment needs to have a use.

Fortunately, the situation has changed from what it used to be one or two years ago and there has been an enormous volume of manufacturing orders placed with the heavy industries. In the current year alone from one section of the budget something like 600 million tomans worth of military materiel orders have been received by the various industrial units covered by the heavy industries which are of course outside and separate from other relevant orders pertaining to this subjoinder.

In a particular case we started to manufacture a special military product in a certain unit and we completed the sample product and made delivery and began producing other such samples, however after a while the shower of criticism began pouring down on us and telling us you have no business making military equipment, you go do you own things and let the military people do theirs.

What I'm trying to say is that the pace of those industrial units which are covered by the heavy industries as regards their service towards the war has been so speedy and hasty in a way that we've been criticized for it.

Therefore, in the programs and future goals, closer attention has been paid to the issue of securing the needs of the war and the battlefront and in actuality it is one of our main objectives during our new phase of work in 1365.

The second point regarding an increase in the volume of production calls for a closer attention to the executive and development projects of the country. The law pertaining to the establishment of the Ministry of Heavy Industries obligates us to coordinate and regularize our efforts in the execution of development projects toward an increase of domestic production or where necessary do so for foreign imports.

To this end, we've been thinking of playing a more active role in 1365, namely we should try to focus our attention on setting up new plants, refineries and power stations where we could both earn more needed foreign exchange and at the same time carry out the fundamental tasks of the country. On the other hand, we are well aware of the fact that the government looks with particular interest after the national projects and those which pertain to the upcoming 10th year of revolution anniversary and for which separate foreign exchange has been appropriated and similarly enjoys the support of the government and there is no doubt that many of our industrial units will become more active as a result of these projects.

Some of the main projects on which our brothers have been working recently consist of the great railway bridge of Bafq-Bandar Abbas project which is unprecedented in Iran, the other is the large power station of Martyr Raja'i and likewise the East Azarbaijan pipe manufacturing plant on which we've entered into a constract with the Ministry of Energy and other smaller and larger projects such as the Mobarakeh Steel Mills, the Seventh Refinery, Gas Refinery of Kangan, etc.

It would seem more convenient to entrust the work of the installation of a power station to a domestic contractor instead of entering into an agreement with a foreign contractor, although there has been some instances of breach of contract in the past. You should not have any fear of going after those contracts which establish a working relationship with a foreign company, be it on an unofficial basis. This is something which was done by the Arak Machinery Company which is involved in the railway bridge of Bafq-Bandar Abbas.

In this particular situation, the Ministry of Roads intended to enter into an agreement with a foreign firm and the matter was discussed at the economic council. Thereafter, it was decided to entrust the Arak Machinery Company with the responsibility. Subsequently, that company entered into an agreement with the firm which had been selected by the Ministry of Roads and succeeded in obtaining the major part of construction assembly and manufacture of the necessary components for the project in question, and the foreign company in this case became only responsible for proper execution of the project.

Another similar example pertained to the Mobarakeh Steel Mills which was planning to import six-axle freight cars for the railroad and Pars Wagon Manufacturing Company undertook the construction responsibility and entered into an agreement with the relevant foreign firm accordingly. Likewise, the Ministry of Roads planned to import passenger railway cars and the same process was followed, and similarly the East Azarbaijan pipe manufacturing plant has acted in a like fashion and entered into the necessary agreement with another foreign firm.

There were also some gentlemen who wanted to import cylindrical feul tanks which are available in our own factories or there were those who intended to import overhead hoisting apparatus, or power poles from abroad and we stopped them and they have accordingly entered into agreement with the Tachnikan Company in Iran. In this specific case we told the Italian firm that we would make 20 percent of the necessary components in Iran, but that company would have none of that and eventually we all saw that our own factories were capable of manufacturing up to 70 or 80 percent of the components and then we decided to do away with the Italian firm.

Signing of An Agreement with Iranian Company

Of course, one should know that there are many problems along the way. For instance, concerning the East Azarbaijan Pipe Manufacturing Company agreement, I received several phone calls from the president who asked why we weren't doing anything about this matter and resolving the situation, otherwise people are

going to raise hell if nothing is done to help the above-stated company. In addition, other representatives of the said province visited my office several times or talked to me on the phone regarding the same subject. I, personally met with the director of the Italian firm twice and suggested that we ought to be allowed to manufacture at least 20 percent of the components in Iran, but he would not accept our proposal under any circumstances until we decided to give the contract to our own Technikan firm in Iran. Although an undertaking like this is at first difficult for our firms, yet it is the beginning of an industrial movement which has to start from somewhere otherwise we will be losers all the way.

Besides, with all our existing difficulties in the country and the problem of foreign exchange, it does not seem proper to entrust all our manufacturing needs with some foreign firm which has more business than it can handle and could care less for our needs. Thus, for this reason we have to give top priority to our war production as far as our future goals and objectives are concerned.

Of course some of our companies have received this invitation quite actively and one such company [Khavar] has ventured into working on a new truck.

We hope that we are not offending anyone when we say that whatever a domestic manufacturer would like to produce or put into production ought to conform to certain rules or accepted standards, and when they test a particular truck's maneuverability in a desert or a swamp, they should know that it is only one aspect or dimension of the test and other technical and scientific dimensions have to be acceptable to the heavy industries authorities, too. In this regard, one military product was quite successful in the naval industries of Bushehr and likewise some of the products of Hepco company for military use.

It is necessary for some companies to take a more active role. For instance, there was a company which was quite unknown to us and the only thing we ever knew about it was the description of its activities which was provided by the armed forces. Other companies in this category are like the Pars Metal, Leyland Motors, Tabriz Machinery Manufacturing Plant, Arak Machinery Manufacturing Plant, Tir-e Pars, The Center for Heavy Industries Research and Moratab Company and so forth.

Here, I have to note that an extensive movement has begun throughout the country in support of heavy industries and related engineering operations of the war fronts. In addition, during the current year a commission in suport of this war industrial engineering was formed in the cabinet and that through the same commission a 600 million tomans contract has been signed with those production units which are under the protection of the heavy industries. I can confidently say that so far there is not a single industrial request belonging to the armed forces which has remained inactive and as far as possible all their relevant requests have either been met or are duly being processed.

Control and Enhancement of Quality

Behzad Nabavi went on to add: The second stage of our work was to fucus on the control and enhancement of the production quality and it is a very noteworthy goal which has to be properly taken into consideration. However, as you know there are many internal and external problems associated with this matter, particularly the prevalent or existing culture and besides the bottom line of this dilemma pertains to manpower which has to accept or embrace the movement with a new education.

In one of my visits to any industrial plant I noticed that a worker is required to spray or do the undercoating of 60 Reno trucks a day--this is something which can be done in four hours and not one whole shift. Personally, I timed the undercoating process of one truck and found that it takes one minute and ten seconds to do one truck. Thus, if we add the total we will get a little over an hour. This lack of true interest or enthusiam by the worker and the indifference of the responsible managers who do not dare to say anything to the workers all lead to a lack of quality in work. Furthermore, the very directors of the plants can be held responsible for the prevalence of such an atmosphere--those directors who are afraid to confront this type of workers--though I personally believe that such confrontations must be encouraged. This is not a political issue at all. There are many plant directors who fire the members of the Islamic Association while at the same time they remain indifferent to a worker who cheats or does not do his job properly. There was another instance where the spot welding torches were locked up and instead the workers increased the amperage of the welding unit so as to be able to finish a job faster without paying attention to the fact that higher than allowable amperage in a spot welding machine will burn out the aluminum.

These kinds of problems need to be decidedly confronted by management since these are not political ones any way. On another visit to Khavar Company at 10:00 o'clock in the morning I noticed that one of the workers was sound sleep on top of a table. I woke him up and ordered him fired. Later on some other people interceded for him to bring him back to work. I explained to them that if you don't fire negligent employees like him then we will have a second Kuwait at home!

Likewise, we are aware of certain other places where the workers set up their cooking at eight o'clock in the morning and take a break at nine, they return to work an hour later and around eleven o'clock stop working again since they have to go for mid-day prayers. At any case, when you add up their total working period you'll see they work only about two hours a day! This is a fault which directly pertains to management and we ought to know that today's managers are not yesteryear's unseasoned or inexperienced managers.

So far what we've done during this period of time at least we've been able to set a goal for the quality of our products and have been able to yell at management and other responsible directors of a production unit to maintain the quality of production and questioning their otherwise negligent attitude. Before whenever we questioned the quality of products they used to say, no it is perfectly

all right, but now with all the available scientific and statistical tools they cannot deny the fact and many are not hesitant to point out to you that we have not yet come a long way as far as enhancement of production quality is concerned. What we've encountered in such reports is that about 80 percent of the problems revolve around manpower-related problems--which starts with management and continues down to the workers.

Of course, there are other instances where as a result of a lack of competition, no matter what quality product is produced by certain production units, no one is going to question their quality not even our armed forces--then in such cases how can we ever bring pressure on and drive home our goal for seeking a better quality product! For example, Mr X can buy a Peykan automobile for 80,000 tomans and right in front of the plant he can sell it for 250,000 tomans, thus you tell me what reason is there to raise the quality?

Are You Interested In Importing Some?

I, personally can discern the problems and through the imposition of certain policies we can bring some pressure to bear; however there are individuals who yearn for an opportunity when we lift some import restrictions and they cannot wait to see that happen. Should we in reality go ahead and do that? The fact of the matter is that this ministry can protect the production quality up to a certain level, be it that is has to take a lot of abuse and put up with some foul languages. Yet this forbearance and tolerance has its limits, too!

All the time we are attacked from interest groups, by government or the Majlis that say with all these hullabaloo and uproar about quality what they get from our production units is nothing but trash-- it would seems much better if we were allowed to import such goods!

Therefore, what I really want to ask the gentlemen is that they should pay more attention to the matter of quality of production and know that the situation has changed slightly--namely the foreign exchange situation or that of production has become so volatile and uncertain that some people are just waiting for an excuse to shut down a plant and resot to other stratagems for imports.

We will publish the rest of the speech of Behzad Nabavi, minister of heavy industries who spoke at the seminar of the Organization for the Development and Renovation of the Iranian Industries tomorrow.

12719
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IRAN

HIGH-LEVEL OFFICIAL DISCUSSES OIL PRICES, REDUCTION OF OUTPUT

Tehran ETTELA'AT in Persian 15 Feb 86 pp 8, 15

[Interview with Deputy Oil Minister Kazem Pur-Ardebili, date and place not specified]

[Text] Economic Service—Following his return last week from Saudi Arabia and the United Arab Emirates, we interviewed Mr Kazem Pur-Ardebili, Deputy Minister of Oil for International Affairs and Commerce, concerning the results of his trip and the talks he had with officials from these countries.

During this interview, Mr Kazem Pur-Ardebili discussed the background for the plot to reduce oil prices and announced the positions of the Islamic Republic of Iran in order to combat this plot. With our thanks to him, we present the text of the interview for our dear readers below.

In the Name of God, the Merciful, the Compassionate. Following the shocks that hit the international petroleum markets in 1973, with the triumph of the Islamic revolution there was a political shock and another major economic change on the world petroleum market. In the second half of 1979 Iranian petroleum exports were cut off following the strikes of the revolutionary period, creating a difficult situation in the oil market. In 1973 the Western industrial countries, faced with the exercise of OPEC's will, began thinking seriously of making maximum efforts to minimize their vulnerability to OPEC decisions. In this connection, the International Energy Agency, formed in 1974, pursued appropriate objectives.

Until prior to the triumph of the Islamic revolution, however, they did not pursue them very seriously. Instead they merely followed a series of policies and procedures. They had taken the preliminary steps for their achievement, but had not achieved any specific results. These goals were entirely directed towards economizing on energy consumption and making maximum use of existing fuel, especially oil. They would also invest in alternate sources of energy in non-OPEC countries, granting loans and credit in this connection to these countries. Plans were also made for efforts in the area of energy forms such as rock coal, natural gas, and hydroelectric and nuclear power, in order to generally increase purchases from non-OPEC countries and make OPEC a last-resort producer to fill gaps in the market after energy needs were met through alternate non-OPEC countries.

This situation led to increased production in non-OPEC countries spurred by high oil prices, especially after the triumph of the revolution. We saw great investments in countries such as England, Norway, Mexico, Oman, and Malaysia, and oil production increased. This was the situation in the non-communist countries. The communist countries, being buyers on the energy market in any case, tried consistently after 1973 to increase their share of the market, and if we

compare the export volume from the communist countries from this year to that of 1985, we find an increase from one million to 2.2 million barrels per day. This figure for increased production includes the Soviet Union, China, Romania, Angola, and the countries in that block. The industrial countries, in addition to the measures already mentioned, also carried out other activities, including the stockpiling of oil in order to minimize short-term oil price pressure, and to be able to resist by playing with these reserves when political decisions are involved. For this purpose they began stockpiling oil so that their reserves reached around six billion barrels at one point, and today the proper figure is perhaps four billion barrels of oil reserves. They can use these reserves whenever they want to put pressure on oil prices. It is even said that last February the industrial countries reduced their own reserves by 1.5 billion barrels per day in order to put pressure on a price which is today causing us problems.

They are actually consuming reserves which they bought at high prices in order to put more pressure on oil prices and minimize the losses caused by stockpiling at high prices by buying cheap oil. This is being done today by the main and principal oil companies as well as the industrial consumer governments. In this connection I must also add that the economic stagnation which prevailed in the industrial world from 1979 to late 1983 was caused by the reduced demand for oil. Likewise, the increase in the price of the dollar against the SDR currency index caused the demand for oil, bought with the dollar, to reach its lowest possible level in this period. The SDR index decreased about 22 to 23 percent against the dollar, resulting in a corresponding decline in the demand for oil. All of these were factors gradually causing increased supply on the oil market in early 1983. The system of codes and rationing was established within OPEC. Talks held in early January of 1983 led to the implementation of a rationing system in March of 1983, and the level of this rationing was constantly adjusted until it reached the current OPEC production limit of 16 million barrels per day.

OPEC's Internal Problems

In the course of these events OPEC encountered difficulties, chief among them the gradual reduction of OPEC's share in the world oil market. Another problem was reduced income and a balance of payments deficit for OPEC's member countries. A subsequent problem was the glaring disparity which gradually developed between the official and market prices. In early 1983 this difference was one dollar, increasing later to three to four dollars, and today the figures have reached unimaginable levels. Another problem is the mechanism of rationing for OPEC countries. OPEC was faced with the problem of what mechanism to use to ration its member countries. Should exports be the criterion, or production? Should the export of non-petroleum energy forms be figured in this rationing?

Should the sale of petroleum by-products and refined goods be figured into the rationing? Should the volume of reserves in countries be used as a basis, or their need for currency? Should their population be a focus of attention, or their economic problems? All of these were phenomena which produced discussion and differences of opinion within OPEC, and sometimes the estrangement of its members, diminishing their unity. That unity, which was a priority for raising prices between members and creating a situation with market demand higher than their ability to produce, vanished in this situation. Under these circumstances each country naturally began thinking of its own interests, and surplus production developed in the countries which has no demand. The countries are trying to produce at maximum capacity, and this is partly what has produced differences among member countries. These are the current problems for OPEC members, and in this connection their previous policies continue as before.

In addition to these things, another problem in this regard is the profiteering of governments and oil companies. Companies sought to maximize their prices during these events. The Western countries imposed tariffs on imports of crude oil and by-products, which were decreasing, in order to make up for budget deficits. These reduced budget deficits caused their inflation to reach minimum levels, created employment in their countries, provided them with greater assurance of economic growth, and caused price reductions and increased supply of oil in the world, and these policies intensified the internal crises in OPEC.

Therefore, a group of factors from the union of consumers and the union of producers are following a historic course, each with its own collective and individual motives faced with this situation. Of course this does not mean that OPEC has lost its unity, or that the plans of the industrial nations have brought OPEC to a dead end. However, we think that the industrial world needs oil in any event. Several years' experience has shown that oil is a product that even the advanced industrial countries cannot replace easily at a comparable price. They must pay its real price sooner or later. Pressure cannot be applied indefinitely to the price of oil under artificial conditions.

Concerning the current situation it must be said that within the OPEC countries there are various views being given concerning the organization's problems. Countries like Saudi Arabia have been against price increases all along, on the grounds that oil price increases will lead to increased investment in other other energy forms, and that we must set the price of oil to serve our long-term interests. This may be justifiable for Saudi Arabia, with its vast reserves. However, the Islamic Republic of Iran has always sought to maximize oil revenues for countries within the limits of their needs, and this can be achieved through price increases. Even if we increase our exports one day, under no circumstances should this lead to reduced revenues for OPEC members. We have never been and are not now in any way opposed to OPEC having a larger share of the market, but we do not believe that we should obtain such a share by freeing prices and selling the natural resources of countries, especially the Islamic countries, cheaply to the industrial countries.

Positions of the Islamic Republic of Iran on Oil Prices

In view of the fact that I have been following these developments in connection with the oil market, I went to the United Arab Emirates and Saudi Arabia as the representative of Mr Khameneh'i and gave them the views of the Islamic republic of Iran concerning recent petroleum developments. On that trip we told them it is our belief that overall a reduction in oil prices will not give OPEC a significantly greater share of the market. It will only lead to a shifting of shares between countries. Some countries, who do not see themselves bound to OPEC's internal regulations, will adopt various tactics to sell their oil on the international market, and this will reduce the market share for the other countries. Efforts by the remaining countries to regain their own share will encounter price difficulties. Therefore, instead of gaining a greater share of the market, we will end up selling our oil cheaper. We think Saudi Arabia's ability to reduce prices and obtain more foreign exchange is not in the practical interest of all OPEC members. In other words, we do not think OPEC member countries can all increase production enough to make up for price reductions.

In this connection, if an OPEC member country does not consider the interests of the organization as a whole, we think it will be detrimental to the collective interest. The Islamic Republic of Iran has made efforts to confront this trend. About a month ago the Prime Minister announced that we have cut our oil exports in half, and we will continue to pursue this policy. We believe that if OPEC countries exercise some self-control and place the interest of the group above self-interest, OPEC will be able to deal with the artificially high supply and the consumption of reserves by the industrial countries, which have brought unprecedented pressure on oil prices. In the last month

the Islamic Republic of Iran has reduced its oil exports an average of one million barrels, and unfortunately we are seeing excessive exports, sometimes even more than the limits established by OPEC, by some member countries. We believe that this is contrary to the interest of OPEC's member countries. Most of our criticism in this connection is directed to Saudi Arabia, which, according to reliable reports, is dumping almost six million barrels of oil on the market, the major part of which is sales in the "note book" form, or the procedure for recovering the cost of oil by-products. This procedure allows consumers to set prices and is contrary to OPEC policy. Such measures, despite their adoption by some countries, have always been and are distasteful in OPEC. We believe that all countries who have tried to gain a greater share of the market in this artificial market situation have today realized that they cannot gain a greater share of the market, even at the price of reducing their income. We believe that OPEC members must quickly return to their former prices, which guarantee their former incomes. Countries who lack the ability to increase production, since they have huge debts, will suffer the most from this situation. The biggest beneficiaries of this situation are the Western industrial consumer countries.

We believe that the price war, instead of being directed against the industrial consumer countries, or some of the non-OPEC producers, is mainly being waged within OPEC by some members against other members. In the name of competing for a greater share of the market against some industrial countries such as Britain, we have a two-sided game going whose beneficiaries are the industrial countries and one or two OPEC member counties who are profiting at the price of sacrificing their natural interests. The Islamic Republic of Iran has said these things at meetings. It has warned OPEC officials and world public opinion that the price war and the attempt to compete with the North Sea reserves by Saudi Arabia and some other countries is actually a movement that will benefit the industrial countries by providing them with cheap oil to speed their industrial growth, and will probably produce greater revenues for for one or two OPEC members, of course at the price of sacrificing national reserves and hurting other OPEC members. This hurts members who either do not wish to give up their reserves cheaply, have debts, or who lack the ability to export more. We think that this is non-cooperation, fragmentation, and to some extent it can be said that it is a way of striking out at the other members of the group.

England's Role in Reducing Oil Prices

ETTELA'AT: Today Britain has again rejected OPEC's request that it reduce oil production in the North Sea in order to protect the price of oil. What is the reason for this, and why are some OPEC members following this lead?

[Answer] Britain's announcement that they cannot cooperate with OPEC and cut their production is precisely the continuation of the game, because the benefits of continuing this game are great for the industrial countries, and impossible to ignore.

As for the question of why some countries have been drawn into this process, or are affirming it, we believe that some of them were deceived in the early days into believing that they can increase production by a certain percentage and withstand and compensate for a certain percentage price drop. These countries have now realized that this procedure has not given positive results. They have understood that they were deceived in doing this, and that it only benefits one or two OPEC members.

There were other countries who had no other choice. Although they expressed their opposition to this policy, or remained silent concerning the future of the oil situation, they had no alternative but to submit to the current situation. Nigeria and Indonesia were in this situation. While they did not want to see oil prices reduced so much, they felt that they were caught in a way and must submit.

Some countries, such as Ecuador, Gabon, and sometimes Iraq, who had been expecting to have their export ration increased, consistently violated their OPEC export limits. They thought that by ignoring their export limits and searching for additional markets, they would be able to reach a new export ceiling, which would then become the basis for a new export limit in OPEC.

Of course today these countries can see the great damage they are suffering due to price drops. The same people who created this situation in OPEC are now unable to increase their sales because of the way they sell and the decrease in prices. In the course of this, some other countries, such as Libya and Algeria, whose reserves are limited, who have a chronic and insatiable need for currency, and who cannot increase production, have taken the greatest losses.

Although the Islamic Republic of Iran has abundant reserves and sufficient export capability, it has established a mission and goals with which to confront the plots of world imperialism and some oil exporters. Although it has the ability to enter the fray and gain a just share of the market, it is exercising marketing restraint, and, by reducing its output by more than a million barrels, it is trying to bring prices down as much as possible to a more desirable level.

The Islamic Republic of Iran will continue this policy, and it calls upon all countries who feel they have been hurt in this connection to join voices with the Islamic Republic of Iran in this connection, minimize their production, and to officially announce this matter in order to prevent the pressure on prices which is being brought to bear by some member countries.

We believe that the industrial countries will not be able to consume their reserves at this same rate and intensity, and that one or two OPEC countries who are taking steps to meet their own objectives will not be able to hurt the interests of the other member countries by adjusting export limits and using price-fixing procedures, as was affirmed in the previous session. Although it was agreed in the previous session that countries could pursue a just share of the OPEC market, on the suggestion of the Islamic Republic of Iran emphasis was once again given to the commitment of governments to the observance of prices and export limits. Unfortunately, however, we have seen that some countries, seeking a greater share of the market, have deviated from prices and export limits.

Effects of Drop in Value of Dollar

ETTELA'AT: What are the effects of the drop in the price of oil, and, concurrent with that, the drop in the value of the dollar, on oil-producing and consuming countries?

[Answer] We are now seeing a decline of the value of the dollar against European currencies, which makes the effects of the reduction in oil prices very sensitive and sometimes intolerable for exporters, and the economic effects are again in America's interest.

It appears that the drop in the value of the dollar against European currencies, and, concurrently, the drop in the value of oil, was a great service, and the adoption and continuation of this policy has served the interest of American imperialism, so that Reagan has seen this movement as a catalyst for economic growth in the industrial countries, especially America.

He has also said that this is a movement that is bringing OPEC to its knees and making it repent. This policy has also made up most of America's balance of payments deficit again because of increased import duties on crude oil imports, as well as the taxes on the profits of the major oil companies. This will have anti-inflationary effects for America's domestic policy and will facilitate its economic growth, which is expected to be three percent in the current year.

Reduced Prices for Western Industrial Products

ETTELA'AT: It is sometimes optimistically said that perhaps the effects of reduced oil prices will have an effect on the foreign exchange expenditures of third world countries, which are mostly spent to export products of this kind, because of the reduced cost of Western industrial products. What is your view concerning this?

[Answer] I believe that if we look at a comparison of oil prices, we will see that the price of 28 dollars per barrel is actually $5.50 per barrel at 1973 prices when adjusted for inflation. This shows that the efforts by industrial countries to purchase the resources of countries at cheap prices will have no effect on the price of industrial products. We do not view this policy of the Western countries solely in terms of oil. A look at the situation in other third world countries, their basic minerals, and the drop in the prices of these minerals in the last three or four years shows that pressures have been increasing regularly and that products such as sugar, copper, coffee, metals, and oil have been consistently under pressure and their prices have been brought down by industrial countries. This drop in prices has been used as an organizing factor for treating the chaos in the economies of the industrial nations, and it has been exploited. At the price of the low-cost purchase of raw materials from third-world countries, the West's economic problems such as inflation, unemployment, and stagnation have been resolved to an extent.

Concerning currency values, I noted that from 1980 to 1985 we saw the dollar increase 22 percent against the SDR currency index, and this caused reduced demand. If we compare 1985 prices with those of today, however, it had decreased 23 percent. The 22 percent increase over a four year period and this 23 percent decrease during one year shows that this one-year decrease happened because of the pressure on oil prices.

Predicted $15 Per Barrel Oil Price

ETTELA'AT: Economic circles in Kuwait predicted a $15 per barrel price for oil in the current year. To what extent can this prediction be realized?

Unfortunately, some OPEC members, by predicting oil prices consistently below current levels, have created an atmosphere of delayed demand in the market, which can automatically play a part in lowering prices. If we look carefully at the news, we can see which country's officials are making most of these predictions.

These are the countries who are imposing these circumstances on the OPEC market. We think that all OPEC member countries are aware enough to realize who the people are who are causing repeated decreases in the price of oil with their remarks, and who have prevented self-control and patience on the part of the other members by putting more oil on the market.

I do not believe that these countries can continue this course indefinitely. We will give our positions on this at the next OPEC meeting in mid-March, and we will mention all of the obstacles which have created this chaos and which have been perpetrated by one or two countries under

false pretenses, and followed by some countries optimistically expecting increased revenues. We will not allow these policies to be established permanently by a few countries to the detriment of the interest of the organization as a whole. We are sure that the nations of the OPEC member countries are watching the movements of governments and their decisions to protect national interests, and that they will not allow some governments to sacrifice one country's interests for those of some other countries.

We have given such warnings to some of these countries and we hope that the experiences of the last month or two have been enlightening for other OPEC member countries who have all been hurt by this process, helping them to understand the positions of the Islamic Republic of Iran, which we have stressed repeatedly, based on price maintenance, observance of export limits, preservation of unity, establishment of regulations among members, and securing the interests of the group. We have announced that if anyone within OPEC pursues his own interests, it will hurt all the other members. If we cannot reach an agreement, no one will be able to lay the responsibility for the damage on anyone else.

Countries are claiming that the lack of steadfastness by some other members in the past has led them to make decisions in their own interest, but we think this is no more than an excuse, and that we must encourage all members to observe OPEC's internal regulations and maintain its unity.

ETTELA'AT: Grisanti, Venezuelan Minister of Oil and OPEC president, proposed a meeting of OPEC in late March. To what extent do you think this meeting will be able to arrest the decline in oil prices?

[Answer] Any kind of consultation and contact between OPEC members is strictly within the organization. We think any kind of fragmentation and separation among members is unacceptable; for this reason we have tried to contact all members, and at different levels. Our views as presented to the Persian Gulf countries, Latin America, Latin America, the Far East, and Africa show that the Islamic Republic of Iran seeks solutions to serve the maximum interest of OPEC member countries. We believe that so far contacts of this type have been able to clarify some of the ambiguities and misunderstandings which have come about through error.

Reduced Demand for OPEC Oil

ETTELA'AT: It is said that the demand for OPEC oil is declining, and that this in itself is reducing prices. To what extent is this true?

[Answer] The notion that the demand for OPEC is constantly declining, in view of the fact that the member countries violate their export limits and that there is a difference between real demand and the amount being marketed by OPEC, which is the primary reason for the decline in prices, arises from a certain way of looking at problems, analyses, and statistical and intelligence reports. Concerning the question of how much demand there will be for OPEC oil in 1986, the figures given are from 14.5 to 16.6 million barrels. We believe that this demand cannot be less than it was in the previous year, in view of the projected rate of economic growth for the industrial countries, and therefore projected figures which are lower than those of the previous year are misleading, and are used solely for the purpose of putting downward pressure on oil prices. Figures such as 16.6 million barrels for 1986 are reasonable, and existing limits in OPEC are around 16 million barrels. Consequently, there is the complete possibility of maintaining prices without raising export limits. The claim that OPEC has marketed 18 million barrels is not realistic. OPEC has marketed something between 17 and 17.3 million barrels, and demand has been between 16.5 and

16.7 million barrels. The difference is not so great as the claim that we have marketed 18.5 million barrels for demand of 14.5 million barrels. This 3.5 million barrels of surplus naturally imposes such prices. What has created the extra surplus is the consumption of oil stores by the industrial countries, which they have consistently attributed to imaginary excess production by OPEC. In practice, they have caused some countries to seek a greater share of the market for themselves, following "note book" procedures and measures to lower prices.

We consider any kind of surplus sales by OPEC members at this stage when prices have been pushed down by the industrial countries to be a betrayal of the aspirations of OPEC. We expect all member countries to observe their export limits and to avoid any measures which allow the consumer the leverage to set prices. We are sure that under such conditions oil prices will not remain where they are, but will rise to a more desirable level, provided that unity, observance of internal regulations, and adherence to export limits are maintained within OPEC.

ETTELA'AT: The Indonesian Minister of Petroleum (Subroto) believes that a just share of the market for OPEC can be obtained by setting two production limits per year, and that the necessary adjustments could be made for seasonal demand in this way. What is your view concerning this?

[Answer] Of course the claim that is sometimes made concerning seasonal demand is correct, and it is possible that the demand for OPEC oil is less in the second and third quarters of the year. The figures being projected for the second and third quarters of next year are perhaps relatively lower, and we believe it is logical that member countries want different seasonal limits, and that this may be used to obtain agreement between members and persuade them to sell less in some seasons and compensate in other seasons. This may be a way to adjust export and sales limits among members and minimize disagreements, gaining agreement among countries in accordance with market conditions. We believe that OPEC's long-term strategy, as before, must be based on maximizing the income of member countries from their reserves and minimizing this level of existing income for countries. We also call for a true recognition of the price of oil, which is still in demand on the international oil market as a form of non-replaceable energy, and will continue to be. Contrary to the views of the industrial countries, who claim that oil is something to be traded on the market like any other industrial good, oil is not like other goods, and it has its own price on the market.

ETTELA'AT: Some of the Western media claim that Iran's reduced exports are due to problems arising from the imposed war. What are their objectives with this type of propaganda?

Of course when the Islamic republic's decision to reduce oil exports was announced, some of the Western media, especially those from countries who benefitted from the fall in prices such as England, announced in their media that Iran had cut its oil exports because of military problems and problems with its installations, while portraying it as a voluntary matter. These ideas and propaganda are given solely to minimize the effects of Iran's acts, because Iran's decision could have a special effect on prices. The continuation of this policy by the Islamic Republic of Iran shows that such views are completely without basis, that the Islamic Republic of Iran has complete control of its export capability, and that it has reduced its exports today solely to deal with what we are seeing in the market. Of course we believe that the real effect of such restraint on the part of the Islamic Republic of Iran will be greater when other countries adopt our policies in order to deal with such circumstances, and that prices will rise to a desirable level again when the amount of oil on the market is reduced. The propaganda of the Iraqi regime that it is

damaging Iran's export facilities, and its repetition, proves the baselessness of these claims. They have announced several times that they have totally destroyed Khark Island, while consumers can see that supply and export security are always fully available to them.

Of course today the Islamic Republic of Iran, with its recent attacks on the Iraqi regime's positions at Faw Harbor and the Petroleum installations there, and its fully established presence position in these areas, show that there is a difference between false claims and what is really happening at the war fronts.

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FOREIGN AID SAID BECOMING 'HEAVY BURDEN'

Karachi DAWN in English 13 Mar 86 p 7

[Article by Sultan Ahmed]

[Text]

WHEN a country has to borrow heavily from a big power, principally to repay the large old loans, it has come to very critical stage. That precisely is the stage to which Pakistan has come after 35 years of foreign aid, beginning with the tiny 1.2 million dollars under Point Four programme and ending with the current package of 3.2 billion dollars for six years, ending 1987, from the U.S. alone.

Like all addictions which is not properly diagnosed and treated the aid addiction too demands more and more of the drug to keep the patient going. So we had facilely asked for a doubling of the U.S. aid to 6.5 billion dollars for the next six years. The US is not able to oblige us to that extent because of the budgetary cuts enforced by the U.S. Congress. In fact the U.S. administration rather embarrassed by such a large publicised request and the disappointment that has followed the visit of Finance Minister Yaseen Wattoo to Washington. Mention of that amount by Pakistani officials has hence become taboo.

Earlier when the current package of 3.2 billion dollars was announced there was real jubilation in official circles, but now after much of that aid has been used, principally to buy defence equipment there is the lament that two billion dollars out of that has to be repaid in the next six years as principal and interest at commercial rates and that would become a very heavy burden on the country in the coming years.

Heavy burden

So it is agrued that unless aid under the new package is doubled to 6.5 billion dollars the country will be in serious financial trouble. Pakistan's request for doubling the aid also made a provision for inflation in the U.S. which would reduce that aid in real terms by 1.2 billion dollars. On this basis, after the repayment of two billion dollars during the next six years and adjusting for inflation, the net aid receivable by Pakistan would have been only 3.3 billion dollars — almost the same as the current package.

But it has been indicated in Washinton that the new package may not exceed four billion dollars, and may even be only 3.5 billion dollars. Islamabad's contention is that even if the new package is four billion dollars net aid receivable would be only 800 million dollars for six years -- an average of 132 million dollars per year which, in the language Gen. Zia-ul-Haq used for the small aid offered by President Carter, would be "just peanuts."

Many critics of such foreign aid argue that it is wrong to call receipts of such kind as aid, and it is in fact loans repayable with interest which have too many strings, including the political ones. And they are not wrong. The nature or composition of what is usually called aid has been changing rapidly over the decades.

In the 1950s 77 per cent of the foreign aid came as non-repayable grant; in the 1960s it dropped to 38 per cent and in the 1970s it had dwindled to 13 per cent due to the world oil crisis and recession in the donor States. In the first half of 1980s it increased to 26 per cent, largely because of relief to the Afghan refugees. Even when Pakistan had to pay a political cost because of involvement in the Afghan crisis 74 per cent of the aid received is repayable with interest. So what we are dealing with are largely loan transactions. And the net loan repayable now is around 11 billion dollars.

Some Government officials dismiss Pakistan's outstanding foreign debt as insignificant as Brazil has a debt of 100 billion dollars, Mexico 92 billion dollars and Argentina 40 billion dollars. But what matters is not only the size of the debt but also the size of the economy and the capacity to repay, and the current and future aid needs. So if Mexico's or Brazil's debt makes ours seem small that is not a matter for relief particularly when we are asking for the next six years an amount equal to 6 per cent of the debt which we took 35 years to accumulate.

Foreign debt

It has been reported that what Pakistan expects during the next six years from all sources as aid is 20 billion dollars. And such a large amount would be forthcoming, including from the World Bank and IMF, only if the U.S. is ready to give us 6.5 billion dollars. Otherwise there may be corresponding or somewhat similar reduction of aid from other sources. That means what we are aiming at is nearly double our outstanding foreign debt as aid for the next six years. All that seems awfully alarming in view of our poor input-output ratio in the area of aid-utilisation.

Dr. Mahbubul Haq had asked following his return from a meeting of the Aid-to-Pakistan Corsortium in Paris in 1984 who would not bargain for more aid if he could get that at 4 per cent interest, along with a maturity period of 30 years, and a grace period of 10 years?

But the big question is: what have we really achieved out of the total aid of 20.1 billion dollars utilised until December, 1984, out of the committed aid of 24.1 billion dollars until then? If the terms of the aid are as sweet as he mentions, how is it that we have to pay a billion dollars as principal and interest annually now, which even the State Bank of Pakistan cautions is a heavy burden on the strained economy.

Even more relevant it is to ask that if 60 per cent of the aid utilised was on projects and 28 per cent out of that 20.1 billion dollars came as grants, why has not those projects generated the capacity to repay those loans? Why have we to borrow far more money simply to repay those loans? How long will this process continue? If the old modest aid did not generate the financial capacity to repay the loans, will the far larger loans sought now generate a larger repayment capacity? That appears exceedingly unlikely as we are proposing to borrow far more — 20 billion dollars in the next six years — to repay much of the old debt.

We are clearly in an awful bind as our foreign exchange earnings have been going down. Of course, the exports are said to have risen by 18 per cent during the last seven months because of the staggering record cotton output of 7 million bales. And if the declining home remittances had gone up by 10 per cent during the first half of this financial year it could be because many Pakistanis are returning home with their entire savings. So such notable gains cannot be a normal feature in future years.

In fact, we have problems on both fronts. There is the Pakistani currency shortage to repay the loans because of falling revenues and soaring official expenditure. Reports that contrary to the binding statement of Dr. Mahbubul Haq that there would be no deficit financing or printing of notes for Rs. 1,800 crores last year, there would be deficit financing to the extent of Rs. 600 crore this year are disquieting. And there is the foreign exchange problem as well after the foreign exchange reserve was virtually wiped out by the beginning of this financial year.

So how are we going to cope with a situation if rising soaring aid goes hand in hand with falling net receipts because of the sharp rise in repayments? In 1977-78 net aid receipts were 56 per cent but it dropped to 22 per cent in the following two years, then it rose to 29 per cent but only to crash to 13 per cent the following year, and in 1984 85 it stood at 21 per cent of the total aid. Let us not forget that the net aid is so small even when we are involved in the Afghan crisis and we are burdened with three million Afghan refugees, and whatever relief comes for them is billed as aid to Pakistan.

It has become obvious that if it is not difficult to ask for larger aid it is often not too difficult to commit more aid in our kind of environment. Too much of the aid committed gets stuck in the ever swelling pipeline, and the total in it appears to have reached nearly five billion dollars. Dr. Haq sought to overcome this problem by asking for more of commodity aid which is instantly cashable than project aid which takes time to finalise. But evidently the U.S. is interested in specific projects because of the publicity and national recognition of the aid they can engender.

Defence credit

It was indiscreet on the part of our officials to mention jubilantly the figure of 6.5 billion dollars they were seeking for the next package. They said half of that was for defence purchases and the other for economic assistance. And the defence credit this time is to be on concessional terms instead on the market rate of interest as for the current package. The defence part got a great deal of publicity in India and made the Indian Government exert a good deal of pressure on the U.S. administration and influence the Congress. Clearly the Indian effort is to check larger U.S. defence supplies to Pakistan and the more sophisticated equipment from coming here.

Currently instead of increasing the future aid the U.S. administration has been forced to reduce it by 29.4 million dollars in the current year's aid because of the 4.3 per cent budget cut demanded by the Gramm Rudmand-Hollings legislation. And this certainly is the right time for the nation and the Parliament to have a full debate on aid, its utilisation and the return from it, instead of leaving a huge burden on future generations for no fault of theirs.

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SBPF LEADER CRITICIZES DEFENSE BUDGET

Karachi DAWN in English 12 Mar 86 p 3

[Text] LONDON, (By mail): Mr Abdul Hafeez Pirzada, a leader of the Sindhi-Baluch-Pushtoon Front, has alleged that the People's Party has succumbed to the "blackmail" of the country's largest province.

In a written statement, Mr Pirzada declared that by demanding mid-term elections under the 1973 Constitution and asking General Zia-ul-Haq to resign PPP has given a clear message to the Army leaders that the fight with the President is personal and their institution is not threatened.

The SBPF leader also criticised the defence and economic policies of the Government. He alleged that Pakistan spends the highest percentage of GDP on defence in Asia.

"Pakistan's declared policy is that it has no designs on its neighbours and, therefore, does not need any offensive capability," he pointed out. He emphasised the need to define the country's defence requirements.

Mr Pirzada spoke of the "indebtedness and economic enslavement" of the people. "Today the burden of external debt on the average Pakistani family of five persons is more than Rs 15,000 which surpasses its potential earnings for a whole year," Mr Pirzada said.

He added that the educational institutions are in a state of utter collapse. Hospitals and medical facilities have ceased to exist. Drugs and medicines are spurious. Drinkable water is a luxury and there are no resources to combat salinity and waterlogging. The constraints on power generation are severe.

The SBPF leader alleged that the "exaction is the harshest on the small nationalities".

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LEADER PLEADS FOR RIGHTS OF SMALL PROVINCES

Karachi DAWN in English 12 Mar 86 p 4

[Text]

LAHORE, March 11: Mr Mairaj Mohammad Khan, Chairman, Qaumi Mahaz-i-Azadi, has said that smaller provinces must get their due rights otherwise national unity will be gravely imperilled.

Addressing a large meeting of lawyers sponsored by the Lahore District Bar Association, with the Bar President, Malik Mohammad Amin, in the chair, Mr Mairaj called on the "oppressed" people of the Punjab to march with "caravans of national democracy" in other provinces and overthrow the present exploitative system. He spoke at length on the political, constitutional, economic and social history of the country, and said that the imperialist influences had been allowed to take root in all the aspects of national life since 1954. According to him neo-colonialism had played havoc with the country and all national institutions had been made subservient to the imperialist interests.

Mr Mairaj, who is also the Joint Secretary of the MRD said that the 1973 Constitution which enjoyed national consensus had been replaced by an entirely new document which concentrated all power in the President. He said that the President had first destroyed the Constitution with the promulgation of the Provisional Constitution Order in 1981, and then buried it under the debris of his own amendments which he got indemnified by a non-party National Assembly.

Mr Mairaj Mohammad Khan alleged that the election scheme, starting from the referendum, had been devised at Washington because the imperialist powers had now adopted a new strategy of keeping the autocratic establishments in the Third World intact with a share in power for selected puppets.

However, he opposed the demand for a new constituent assembly (without referring to the NDP) and said that the MRD, which enjoyed popular support, would continue it struggle for the revival of the 1973 Constitution.

The QMA leader said that he was opposed to the concept of a confederal structure for Pakistan, but it was also a fact the Lahore Resolution of 1940 envisaged independent Muslim states. According to him the slogans like a confederal Pakistan and Sindhudesh were being heard because small nationalities had been denied their political, economic, social and cultural rights. The situation was particularly critical in Sind where the people had been made to believe that the people of the Punjab were responsible for the plight.

FOREIGN POLICY: He said Pakistan's foreign policy was being dictated from Washington. All American aid had political strings attached to it. The Government had conceded 3,500 square miles of territory in Siachen Glacier region and the Western Press was talking of the possibility of the US taking over command of the Pakistan Armed Forces in case of any emergency situation in the Middle East. He said that the MRD and the QMA favoured the withdrawal of Soviet troops from Afghanistan, but after bilateral talks with Kabul and an assurance of non-interference in the internal affairs of that country. He pleaded for a genuine non-aligned foreign policy to serve the national interests.

Mr Mairaj Mohammad Khan criticised the Islamisation policy of the regime which, he said, was projected for the perpetuation of the regime "and nothing else". He said that the policy had already resulted in sectarian upsurge and had promoted fanaticism.

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MARITIME DEAL SIGNED WITH SRI LANKA

Karachi DAWN in English 13 Mar Business Supplement p I

[Text] KARACHI, March 12: A maritime agreement was signed here on Wednesday between the governments of Pakistan and Sri Lanka to promote cooperation in the field of maritime transport.

The two sides will promote participation of their vessels in the seaborne trade between the ports of the two countries in accordance with the principles of equality and mutual benefit.

Under the accord vessels of either contracting party including chartered vessels, will carry the total seaborne trade between Pakistan and Sri Lanka on the basis of 50:50 sharing as to lifting and earnings.

The vessels of the two sides will also be allowed to participate within 20 per cent of the total trade volume in the liner trade between one of the contracting parties and a third country.

The agreement was signed by Mr W.L.P. De Mel, Secretary Sri Lanka's Ministry of Trade and Shipping and leader of the Sri Lanka delegation and Captain Iqbal A. Khan, Director Ports and Shipping wing of the Federal Ministry of Communications.

The signing ceremony which held at PNSC headquarters, was attended by PNSC Chairman Rear Admiral A. Waheed Bhombal and Vice Chairman of PNSC Mr S.I.H. Naqvi.

SIGNIFICANT STEP: Speaking on the occasion Rear Admiral A. Waheed Bhombal said the signing of the maritime agreement was an important step forward in further promoting and consolidating cooperation in the shipping field. He hoped the agreement will be speedily implemented.

COOPERATION: Mr Bhombal informed the Sri Lanka delegation that the PNSC was ready to help the Ceylon Shipping Corporation in any field in which such assistance was required.

Mr De Mel in his remarks before initialling the agreement hoped the cooperation in the maritime field will grow steadily. He said this agreement was long overdue and its signing was a happy occasion.

He also thanked the Government of Pakistan and the PNSC for providing expertise to his country in the field of shipping and said, the success of Ceylon Shipping Corporation was largely due to the technical help given by the PNSC.

Capt Iqbal Ahmed said the agreement was a big step in promoting shipping and trade between the two friendly countries. He assured the Sri Lanka delegation that they would always find Pakistan a positive partner.

Members of Sri Lanka's delegation including Sri Lanka Trade Commissioner, Mr V. Sabapathippillai were also present on the occasion.—PPI

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END